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NEWS SUMMARY

GENERAL

Thatcher toughens cricket opposition

The Prime Minister took a tougher stand against the English cricketers' tour of South Africa than she had previously refused to condemn directly.

She said the tour could not be regarded as "other than a major sporting link with South Africa" and therefore contrary to the Gleneagles agreement.

The tourists yesterday started a match despite a last-minute appeal from the Test and County Cricket Board. Page 8

Hijack charges

Five Tanzanians, all in their 20s, were remanded in custody by magistrates at Chelmsford, Essex, accused under the 1971 Hijacking Act.

Scottish gales

A woman died in Port Glasgow, Strathclyde, when a tree was blown on to the car in which she was travelling. Severe gales swept Scotland and other parts of the UK.

TA to expand

The Territorial Army is to be expanded from 70,000 to 86,000, Defence Minister John Nott told the Commons. Report and Sketch, Page 8

Loan limit up

Abbey National Building Society raised its 100 per cent mortgage limit from £20,000 to £35,000.

Brussels shooting

A man firing a submachine-gun killed two men and wounded two at the Belgo-Yugoslav Cultural centre in Brussels.

Murder squad

A small homicide task force will continue to investigate the killings of Atlanta blacks after the conviction of Wayne Williams in two cases.

Warsaw soccer

Thousands of security police and soldiers attended a soccer match in Warsaw. The USSR's Dynamo Tbilisi beat Legia Warsaw 1—0 to jeering, whistling and booing from Polish fans.

Christening 'wait'

Lech Walesa's family decided to postpone the christening of his youngest daughter until he is freed from detention. Debt policy; Solidarity tapes made public, Page 2

Laker aftermath

Sir Freddie Laker flew free to London from Miami on the same craft as 20 passengers stranded by his airline's collapse. Many had had to borrow money for the return fare.

£159,000 raid

Six masked gunmen stole £159,000 in a raid on a Post Office van in Peckham, London.

Bodies found

Divers found the bodies of a couple whose car is believed to have skidded into a canal near Newry, Co. Down.

Priest 'smuggler'

A Catholic priest who worked as a volunteer for the Vatican at the UN was arrested and charged with smuggling stolen Italian paintings into the U.S.

Silk treasures

Chinese archeologists found a 2,300-year-old tomb containing well-preserved silk fabrics.

Briefly . . .

Queen officially opened the Barbican Arts Centre. Page 6

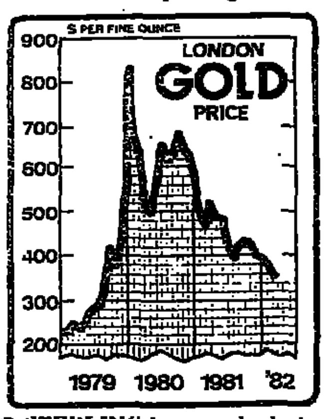
Birth, death and marriage certificate charges are to go up.

Barclaycard lost more than £5m through the use of forged cards last year.

BUSINESS

Sharp fall in gold; Equities weaken

● GOLD continued its recent downward trend, falling $7 in London to $353½. Page 26



● STERLING improved, closing 90 points up at $1.823 in London. It also rose to DM 4.325 (DM 4.3125), SwFr 3.425 (SwFr 3.41) and FFr 11.045 (FFr 11.0). Its trade-weighted index was 90.9 (90.7). Page 26

● DOLLAR weakened in London, falling to DM 2.3715 (DM 2.376) and Y236.25 (Y237.6) but rising to SwFr 1.8785 (SwFr 1.878). Its trade-weighted index fell to 113.1 (113.3). Page 26

● GILTS consolidated recent gains. The Government Securities index closed 0.08 up at 67.42. Page 32

● EQUITIES weakened after early firmness on worries about Wall Street. The FT 30-share index closed 2.6 down at 555.2. Page 32

● WALL STREET was 6.85 down at 818.97 near the close. Page 30

● TOKYO'S Nikkei Dow index rebounded after seven sessions of losses, rising 165.01 to 7,474.42. Stock Exchange index rose 8.35 to 554.32. Page 30

● ZERO COUPON bonds fell heavily in secondary market trading on reports that Japanese securities houses have been told not sell any more to residents. Page 27

● CITY'S Council for the Securities Industry recommendation was still interested in bidding with the regulation of investment management. Page 5

● SOVIET UNION, squeezed by low gold and oil prices and the cost of supporting Poland, has bought large amounts of U.S. and Australian grain on credit. Page 31

● BRITISH EXPORT volume is forecast to rise by 2.5 per cent this year. Imports are expected to grow by 3.5 per cent. Page 4

● ENERGY consumption in Britain has started to rise for the first time in two years. Page 5

● NATIONAL FREIGHT Company worker-shareholders may strike over a final 5 per cent pay offer. Back Page

● ROBERT MAXWELL, the publishing entrepreneur, said he was still interested in bidding for ACC. Page 22

● HYSTER, the U.S. forklift truck manufacturer, is considering building computer-controlled storage and materials handling systems in Northern Ireland. Back Page

● CONSOLIDATED GOLD FIELDS mining group reported a 16 per cent drop in attributable profits to £40.2m for the six months to end December. Page 25; Lex, Back Page

● ULTRAMAR, the oil and gas exploration and production group, increased taxable profits from £126.3m to £180.2m last year. Page 22; Lex, Back Page

● GENERAL ACCIDENT increased pre-tax profits last year by 15 per cent to £104.9m and raised its dividend 20 per cent to 16.25p per share. Page 22; Lex, Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

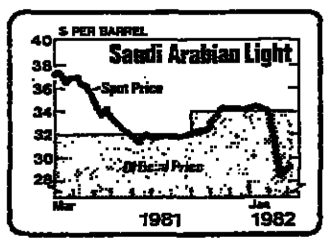
RISES		
Exchequer 15pc 1997	£107⅞	+ ¾
Allied Textile	214	+ 6
Assoc. Comms. A	91	+ 3
Cornell Dresses	185	+ 7
Eagle Star	383	+ 7
Erskine House	54½	+ 2½
Farnell Elec.	590	+ 20
Gill & Duffus	147	+ 5
HTV N/V	126	+ 8
Hambros Bank	136	+ 6
Heath (C. E.)	300	+ 13
Johnson Gp. Clnrs.	217	+ 9
Laporte	146	+ 5
Low (Wm.)	210	+ 8
Minet	162	+ 5
Old Swan Hotel (Harogate)	73	+ 5
Pegler - Hattersley	200	+ 8
Provident Fin.	125	+ 8
RTD	29	+ 4
Ransomes Sims	178	+ 7
Roschaugh	258	+ 5
St. George's Grp.	113	+ 5
Sketchley	290	+ 14
Standard Tele.	450	+ 15
Trafalgar House	121	+ 4
UKO Int	49	+ 2½
Union Discount	435	+ 20
Wintrust	185	+ 5
Ultramar	385	+ 7
FALLS:		
General Accident	322	− 4
Cons. Gold Fields	398	− 9
Durban Deep	637	− 39
EZ Industries	195	− 20
Poseidon	82	− 9
Seltrust A	34	− 8
Vaal Reefs	£26¾	− 1¼

Collapse in oil prices adds to pressure for emergency Opec talks

BY RAY DAFTER AND RICHARD JOHNS

THE ORGANISATION of Petroleum Exporting Countries is almost certain to meet in emergency session later this month to discuss the oil glut and collapse of prices.

The likeliest outcome is a *compromise whereby Saudi Arabia would place a lower ceiling on its production*, now about 7m barrels a day, in return for general agreement on a lower price. Agreement, however, is by no means a foregone conclusion.



The British National Oil Corporation's move in lowering UK North Sea oil prices by $4 ($2.19) a barrel is expected to be a crucial factor in Opec's thinking on prices.

Dr Mana al Otaiba, president of Opec and the United Arab Emirates Minister of Oil, said *yesterday that most of the 13 members had agreed to a consultative conference which would be held this month.*

He also called on oil exporters not to cut prices below the levels set for 1982 in December.

Iran, in desperate need of foreign exchange is the only member of Opec to have cut its price significantly. Venezuela, which has lowered its rates, is considered a special case because of its heavy crude, although Nigeria is thought likely to cut its price soon.

Oil production in Nigeria fell to about 1.45m barrels a day in February from 1.8m b/d in January, according to oil industry estimates. It is under pressure to lower its price to maintain production.

BNOC's initiative, which yesterday received widespread

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COMPANIES HAPPY WITH BNOC PROPOSAL

British National Oil Corporation yesterday secured widespread agreement for its proposed $4 a barrel reduction in North Sea crude prices.

Shell followed British Petroleum in ratifying the proposals after discussing with BNOC traders. Esso, the other big producer and refiner of North Sea crude, is expected to follow suit today.

But the companies have secured an important concession, an agreement by BNOC that prices can be renegotiated within the next four months if there are dramatic changes in the oil market. BNOC had sought a price freeze until the end of June.

It is expected that, without exception, smaller companies will fall in line. Although those with only exploration and production interests are not happy with a reduction in their revenues, refiners—buyers of North Sea crude—are relieved.

BNOC is hopeful that the big price cut, following a $1.50 reduction last month, will help it retain customers. It knew that it was in danger of losing buyers for at least 60,000 barrels a day of its crude.

But the Government is being forced to review its budgetary policies. The $4 cut will lead to a £1bn reduction in gross North Sea oil revenues over a full year. It could also reduce the City's valuation of BNOC's exploration and production interests which are to be sold.

British Gas rallies opposition to Bill ending monopoly

BY PETER RIDDELL, POLITICAL EDITOR

THE BRITISH Gas Corporation is mobilising opposition in Parliament to the Government's proposals to end the corporation's monopoly of some of its operations.

Sir Ernest Woodroofe, a *former part time board member* who retired last December, has written to al Tory backbench MPs arguing that the proposals "are potentially damaging to the wellbeing of the country and also to the Conservative Party, in the long run."

An all-party group from the Commons committee considering the Oil and Gas (Enterprise) Bill yesterday met senior officials of the corporation to hear their detailed objections.

This lobbying occurred on the eve of a Government announcement due this afternoon of a motion guillotining further debate on the Bill after 58 hours' discussion in the committee which has covered only just more than a quarter of the 35 clauses.

The timetable motion will probably be debated next Monday.

Sir Ernest argues that nothing in the Bill will reduce the price *of gas to the consumer* and that, indeed, since British Gas will have to compete for supplies at higher cost to the corporation, the Bill is likely to increase the price. He doubts whether there would be a huge increase in the flow of gas and says that, even if there were, it would accelerate the rate of depletion of Britain's gas resources.

Sir Ernest also questions whether the use of the corporation's pipeline system by private suppliers might threaten the statutory requirement to provide security of supply during, for example, extremely bad weather like this winter's.

There has been considerable behind-the-scenes tension over the Bill between Sir Denis Rooke, chairman of British Gas, and Mr Nigel Lawson, the Energy Secretary.

Neither Sir Denis nor his deputy chairman were, however, *at yesterday's meeting with* MPs when the case presented by the corporation's officials did not apparently shake the Tories' support for the proposals.

Mr Ted Rowlands, a Labour Energy spokesman on the committee, yesterday issued a statement arguing that there should be a moratorium on the Government's plans to privatise North Sea oil assets. He argued that, as a result of falling oil prices, any sale this year would not realise the true value of the assets. There could also be no question of British Gas selling the Wytch Farm oilfield in Dorset in these circumstances.

Energy unions threaten disruption, Back Page

Cuts hit U.S. biotechnology jobs

BY DAVID FISHLOCK, SCIENCE EDITOR

STAFF CUTS of more than 30 per cent are planned by Bethesda Research, of Maryland, U.S., one of the biggest and fastest growing of the rash of biotechnology companies set up in the past five years.

The company, which has small offshoots in Britain and West Germany, plans to cut its U.S. workforce to just under 300 from 450.

Bethesda's move is a further indication of the serious strains facing the biotechnology industry in its efforts to raise capital.

Dr Leslie Glick, chief executive of Genex of Maryland, says part of the problem is that new equipment and techniques needed to perform genetic engineering are "coming along a lot quicker than we imagine."

The need for a high rate of recruitment of scientists and heavy expenditure on laboratories is believed to have driven a number of companies into financial difficulties.

Others, however — being newer and less cash-hungry or because they are recognised as more soundly based—are continuing to attract venture capital.

Biotechnology Investments, the Rothschilds fund devoted to investment in such companies, has just invested in Integrated Genetics of New York.

The company is only one year old and has obtained its first major financing from several venture capital funds, including $1m (£550,000) from the Rothschilds fund.

This fund recently reported that it had rejected 45 out of 61 proposals examined for biotechnology investments. It has invested in five—all U.S. companies—and is considering another.

The fund turned down Bethesda Research, even though the company was one of the longer-established, dating from 1976, with an income of more than $10m in 1981 from the sale of research tools and reagents for genetic engineering.

City estimates put the number of new biotechnology companies established in the last five years at about 150, mostly in North America. At least 70 are practising genetic engineering.

The Geneva-based Biogen company, formed in the late-1970s with strong corporate backing, estimates that by the end of this year it will be spending £10m a year in research laboratories in Geneva and the U.S. Biogen raised only £10m compared with a hoped-for £25m in a placement in the City last autumn.

Mr Robert Cawthorn, its president, said last week that of perhaps 150 companies, about four were well-established today, and eventually perhaps a dozen "will probably make it."

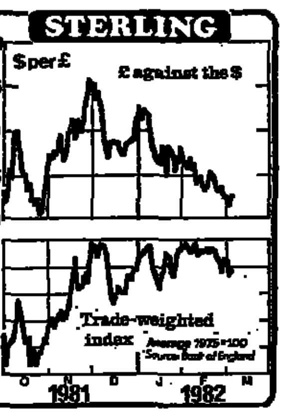
CONTENTS

Bank puts brake on interest rates fall

By David Marsh and Max Wilkinson

THE BANK of England yesterday applied a "touch of the *brakes*" on the *downward* movement of interest rates in money markets. The Bank's action, restraining the recent easing of UK credit costs, came as sterling gained ground in foreign exchanges, shrugging off Tuesday's $4 cut in North Sea oil prices.

Sterling closed in London at $1.8230, up 0.90 cents from Tuesday. It also rose against



Continental currencies, and the trade-weighted index of its value against a basket of other currencies rose to 90.9 against 90.7 on Tuesday.

Currency dealers suggested that the impact of the oil price cut had before the announcement, been reflected by the pound's fall. Sterling is now profiting from the general expectation that next week's UK Budget will contain no significant reflationary measures, they said.

However, the dollar was *generally slightly weaker yesterday*. Despite this and optimism that the worst of the U.S. credit squeeze is over, the gold price dropped a further $7 an ounce to close in London at $353.50 an ounce—the lowest since September 1979.

The bullion market is still depressed by selling from disappointed investors who bought two years ago and are now bailing out with large losses.

In its action yesterday to moderate the fall of sterling interest rates, the Bank of

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Money Markets, Page 26

£ in New York

—	Mar. 2	previous
Spot	$1.8135-8150	$1.8230-8245
1 month	0.07-0.12 pm	0.09-0.14 pm
3 months	0.41-0.46 pm	0.49-0.54 pm
12 months	1.85-1.95 pm	1.90-2.00 pm

Post Office expects record £80m profit

BY JASON CRISP

THE POST OFFICE expects to make record profits of about £80m in the current financial year which ends this month, a jump of £50m on 1980-81.

Mr Ron Dearing, Post Office chairman, told the Commons Committee on Industry and Trade yesterday that the increase, which was largely on the postal side of the business, was because of a higher than expected volume of business, a 3 per cent improvement in labour productivity for mail, and progress in cost cutting.

Postal charges rose an average 9.3 per cent in February, 13 months after the previous increase, with the first class letter rate going up by 1½p to 15½p and the second class letter rate advancing by 1p to 12½p.

Profits on posts, expected to be £70m, will be substantially higher than the Government-set target of £49m, which is 2 per cent of the corporation's estimated turnover of £2.4bn.

The postal business last year had an operating profit of £23.3m and made a further £5.9m from the disposal of property.

The Post Office also expects to be within its Government set external funding limit (EFL) this year having missed it last year by £10.5m. This year's EFL was increased by that amount, the first time in several years the Post Office had been allowed to increase its borrowing.

For 1982-83, the Post Office has a negative EFL which means it will have to pay the Government £25m. Mr Dearing told the committee that the Post Office was having to cut investment plans, which meant the mechanisation of sorting offices would not be completed until two years after the target date of 1984.

He said the Post Office planned to spend £70m over five years on new technology, such as electronic mail, which brings it into competition with British Telecom and others. He said he was determined to adopt new technology, although the Department of Industry is thought not to be keen on the idea.

Monopolies Commission to probe coal board

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE National Coal Board and six other nationalised industries are to be investigated by the Monopolies and Mergers Commission over the next year as part of the Government's drive to improve public sector efficiency.

The investigations were announced yesterday by Mr John Biffen, Trade Secretary, in line with the Government's decision last November to prepare an annual programme of efficiency audits for the Commission to carry out under the 1980 Competition Act.

The Commission has already investigated four nationalised industries in this way and produced 180 detailed recommendations on possible improvements in efficiency in these industries.

The investigation into the National Coal Board, which began yesterday, had been foreshadowed by the Government last autumn but formal announcement was awaiting the outcome of the miners' pay talks.

The inquiry will look at the board's efficiency and costs including internal cost control, purchasing policies, and appraisal and control of investment projects.

Two other investigations were also started yesterday. These are into the sewage functions of the Anglian and North West Water Boards.

The remaining four investigations to be carried out over the next 12 months are into the Civil Aviation Authority, the Yorkshire Electricity Board, the South Wales Electricity Board, and Caledonian MacBrayne, part of the Scottish public transport sector.

The CAA probe is likely to look more at the problems of air traffic control rather than at its licensing functions in the wake of the Laker collapse.

The Commission will have six months to complete its investigations although this may be extended by a further three months if necessary. A current investigation into four *nationalised bus operations* was yesterday extended for three months and is now expected to be finished by mid-summer.

The Government also wants the Commission to set priorities for action in investigated industries.

Continued on Back Page

Belgium-Netherlands steel venture may be set up

BY GILES MERRITT IN BRUSSELS

BELGIUM'S Viscount Etienne Davignon, the EEC Industry Commissioner, has indicated that a joint venture cross-frontier partnership is to put to the major Dutch Hoogovens steelmaker by Belgium's ailing Cockerill-Sambre steel group.

In the wake of the break-up of Hoogovens' Estel partnership with West Germany's Hoesch, Cockerill-Sambre is understood to be proposing that the Dutch steelmaker should enter into a new arrangement with one of Cockerill-Sambre's main companies, the Valfil wire producer in Liege.

Viscount Davignon revealed details of the Belgian plan in a radio interview concerning the crisis that has lately closed production at Cockerill-Sambre.

The state-owned group's workforce has declared an indefinite strike following the EEC Commission's refusal to accept a restructuring plan that would have spared it from major job losses.

Clearly, the possible Belgian-Dutch joint venture is unlikely to materialise until Cockerill-Sambre's own future is established and a new streamlining plan is jointly agreed between the company, the Belgian trade unions, the Belgian Government and the Brussels Commission.

Viscount Davignon

But Viscount Davignon made it clear that such a new transnational link would not only meet with the EEC Commission's approval but could also entail important operating benefits for the two partners.

He said that the Valfil wire-making plant's product could be made "very sophisticated" if such high quality long steel as that produced at Hoogovens' Ijmuiden coastal steelworks were to be supplied to the Liege plant.

M Davignon also pointed out that the Dutch producer would be able to supply steel at considerably lower cost than Cockerill-Sambre would from its own steel complex at nearby Seraing.

The Brussels Commission's refusal to permit the expansion of Seraing with a continuous casting plant is, however, one of the main causes of the continuing Belgian steel dispute.

The big, loss-making steel combine of Cockerill-Sambre remained strike-bound, but elsewhere business was returning to normal, with only scattered demonstrations taking place in the industrial centres of Liege and Charleroi.

Much, however, could depend on the Government's current series of talks with the "social partners."

Larry Klinger adds: Prime Minister Wilfried Martens last night resumed negotiations with national leaders of both the unions and the employers' federations in an attempt to win agreement on a prices freeze and job-creation plan, while in the south of the country, life was returning to normal following several days of disruption by strikes and demonstrations.

Dutch plan aims to create 35,500 full-time jobs

BY CHARLES BATCHELOR IN AMSTERDAM

THE DUTCH GOVERNMENT has announced a Fl 3.4bn (£720m) programme aimed at creating 35,500 full-time and 30,000 part-time jobs over the next two years.

This is the first part of a plan to create up to 200,000 full-time and 175,000 part-time jobs by 1985. Unemployment in the Netherlands is expected to rise to an average of 475,000 this year from 385,000 in 1981 and is around 10 per cent of the working population.

Announcing the plan, on which he has staked much of his political reputation, Mr Joop den Uyl, Social Affairs Minister and Labour Party leader, said most of the jobs would be created in the private sector. The subsidised house building programme will be expanded and funds will be provided for urban redevelopment and home improvements.

The road building programme will be stepped up and extra civil engineering projects started. The Government will also put more money into export promotion and into developing new high technology industries. A small number of jobs will be created in the public sector.

The cost of the plan will be met by reducing the level of general investment premiums, increasing capital market borrowings and increasing taxes. The effect of these measures will be to reduce the number of jobs available although the net effect of the programme is to create 12,000 jobs this year and 17,000 in 1983. The extra house building programme will create 6,500 jobs.

One quarter of total spending —Fl 825m—will go to combating youth unemployment. This is Fl 300m more than the Government originally planned for this sector of the labour market. The money will go both to improving educational opportunities and to providing temporary work to the long-term unemployed.

The Government is keen to encourage employers to make full-time jobs available to part-timers provided labour costs do not rise. Employers will be given a Fl 4,000 lump sum for every job they split.

Mr den Uyl said he would announce further details of his plan later this year. It is clear, however, that it is proving difficult to keep the targets set in the Government programme.

Western policy on Polish debt criticised

By Christopher Bobinski

POLAND should return as soon as possible to pre-1980 trade levels with the West, according to an article criticising Western policy on the country's debt published in the party newspaper Trybuna Ludu yesterday.

The article appeared on the same day as the Polish-Soviet communique published after General Wojciech Jaruzelski's two-day visit to Moscow.

It also came on the eve of a visit to Poland by an eight-man U.S. Congressional delegation led by Mr David Obey, a Democrat from Wisconsin. The mission is travelling under the auspices of the House of Representatives' Budget Committee.

Officials from the Polish Bank Handlowy were unavailable for comment yesterday on reports that Poland was having difficulties in finding outstanding interest payments due last year.

Some $75m (£39.4m) still has to be paid if an agreement rescheduling $2.4bn of 1980's commercial bank debt is to be signed.

The article said that, despite statements about the need to realign Poland's economy towards Comecon, the Polish leadership realises that the Western share of Poland's trade with the West cannot be replaced by Eastern bloc countries.

The Polish-Soviet communique contains a commitment by the Poles that "Poland will make efforts to balance mutual trade." This shows that the Soviet Union is by no means happy at having to tolerate the trade deficit, although it is largely a result of the growing price of Soviet raw materials.

Trybuna Ludu says that, despite pressure by the Reagan Administration to step up sanctions on the Soviet Union and Poland, "business circles in Western Europe and also in the United States" and some governments do not agree.

The newspaper says the banks want to recover the sums owed to them and that last year Poland repaid $235m while this year around $300m has been repaid.

It also says that the U.S. Government paid U.S. banks $71.3m in principal and interest owed and not paid-in by Poland in January in order to avoid the country being declared in default.

It says that a ban on commercial credits for Poland will mean that the country will not be able to "export and cover its commitments.

"While deepening integration with Comecon we want to maintain our trade with the West at a high level . . . without, of course, any political conditions or interference in our internal affairs."

Solidarity tapes made public

WARSAW — The Communist Party daily Trybuna Lubu yesterday published transcripts of tapes from a Solidarity meeting held on December 7, in another onslaught on the suspended trade union.

The publication of the tapes containing excerpts from speeches calling for a general strike and "taking over power" made during the meeting in Wroclaw, southern Poland, came amid the opening rounds of "public discussion" on the future shape of trade unions.

The newspaper did not explain the delay in publishing the transcripts, a tactic used last December shortly before the imposition of martial law by the Polish Communist Party and General Wojciech Jaruzelski, the Polish leader.

Poland's state-run media last December published transcripts of speeches made by union leaders at a meeting in Radom, quoting Lech Walesa, the Solidarity leader, calling for a confrontation.

David Buchan, recently in Bucharest, examines a country in crisis

Romania's friendless hour of need

BY ITS DEBT rescheduling request this week, Romania has admitted what the outside world has suspected for months—that after Poland its economy is the sickest in Eastern Europe.

Labouring under food shortages, rationing, and a large, money-draining industrial sector, the country has had to concede defeat in meeting repayments on its $10-11bn hard currency debt, much of it due not only this year but in this current quarter.

But President Nicolae Ceausescu has created further problems for his country, going beyond economic mismanagement. In his hour of need, he has found himself with few friends. Six months of procrastination on the debt issue has alienated many bankers. His independent foreign policy brings him no sympathy from the Soviet Union or other Comecon countries. His repressive internal record has never endeared him to western governments.

The only outside body ready to help is the International Monetary Fund of which Romania is a member. But last November the Fund stopped paying further installments of the $1.48bn standby credit it agreed to give Romania last summer, until it saw some basic economic changes.

Some of the reforms the IMF wants are now underway, particularly in agriculture, badly neglected during pell-mell industrialisation in the 1970s. Declaring "a new agricultural revolution," Mr Ceausescu has increased investment in farming by 5 per cent to 35.6bn lei ($2.37bn) this year. He is paying special bonuses to farm workers to stop the drift off the land, and last month raised food prices, many of them unchanged since the Second World War, by an average 35 per cent.

In tandem with the food price rises, general wages have been raised 14-15 per cent. This may have been good politics, but since it merely postponed the belt-tightening, was probably not what the IMF had in mind.

Official claims that the cost of extra wages will be covered fully by extra productivity by 1985 are unrealistic in the view of observers in Bucharest.

By far the biggest drag on Romania's industrial performance is the large refining and petro-chemical sector. It has become a classic instance of the truism in central planning that when you get things rights, they can go very right, but when you get them wrong, they can go very wrong.

The 1970s oil price rises turned upside down the assumptions on which Romania forged ahead into refining and petrochemicals. The sorry result is that this sector now has an annual refining capacity of well over 30m tonnes, but Romania can only supply 11.5m tonnes a year from its own oil wells and must import 12m tonnes a year. With the current world glut in oil products, Romania is probably losing money on every barrel it refines.

The Government is taking some remedial action. To reduce the oil import bill, personal use of energy is rationed. For instance, Romanians are supposed only to use one light bulb per room and to drive their cars on alternative Sundays. The IMF has prodded the Government into raising the cost of domestically produced oil nearer the world level—tripling it in 1981. Romania has started "contract" refining or refining foreign oil for a commission, instead of buying it.

President Nicolae Ceausescu

The Central Planning Commission says the aim in the current Five Year plan which ends in 1985 is to increase to 16 per cent the proportion of oil put into higher value products like rubber, synthetic fibres, chemicals and fertilisers.

The Romanian planners say they would like to get their hands on more Soviet crude and then send it back to the Soviet Union in refined or processed form. But there is no evidence yet the Soviet Union is interested in this. In general, the planners are simply keeping their fingers crossed that the world petro-product market will pick up.

Despite these burdens, Romania chalked up a $300m surplus on hard currency trade last year. This was no mean feat, though achieved by some pretty blunt means, including decrees forcing Romanian state companies to balance imports with exports every quarter and where possible pay in goods, not cash.

Among western companies which have been forced unwillingly to act as Romania's salesmen for shoddy "countertrade" goods in this way is British Aerospace, which assembles BAC 1-11s outside Bucharest.

Romania has become more aggressive in pushing exports—perhaps too aggressive, in the light of the current U.S. dumping investigation into Romanian steel. But the main thrust has been to squeeze imports hard, which might affect imported vital components and so could damage long term growth.

The 1981 trade surplus was a good start, but still slight in relation to total foreign debt. Romanian officials admit there can be no let-up, and the country will have to do just as well or better in succeeding years.

The economic risks in Mr Ceausescu's free-wheeling foreign policy have never been more apparent. The Reagan Administration has cut Romania off this year from a $65m credit guarantee to buy U.S. grain, and has taken a tough line on immediate payment of overdue interest on past commodity loans. Not surprisingly, the Romanians took this badly, coming so soon after Mr Alexander Haig's mid-February trip to Bucharest.

Strapped for hard currency, Romania has been seeking from Comecon the integration it once scorned. Mr Ceausescu has in particular been calling for a summit meeting of Comecon leaders to organise a "better division of labour." Romanians say they have now detected a change of heart in the Kremlin, which earlier rebuffed the summit idea, and it could take place by year's end. But Romania, which has hitherto picked and chosen a la carte in Comecon, stirs little sympathy from other members who have had to swallow the fixed menu of integration.

EEC curbs may not hit W. German contracts

BY JONATHAN CARR IN BONN

WEST GERMANY has emphasised that existing contracts should not be affected by the proposed EEC curbs on imports of manufactured and luxury goods from the Soviet Union.

The Bonn Cabinet yesterday formally agreed to support in principle the decision on the modest cuts, taken by the EEC Council of Ministers in Brussels on February 23.

The Government also called on the U.S., Japan, Canada and Australia to match the EEC action, which is intended as a "political signal" of disapproval with Moscow over the repression in Poland.

However, it underlined that deals already agreed with Moscow should be carried through—an argument the West Germans are also using in connection with their gas-for-pipes contract with the Russians, signed last year. The U.S. has criticised this deal, in which other European states are also involved.

The proposed EEC restrictions, which are expected to be formally approved by the EEC Council shortly, will put import uotas on goods including caviar, furs and champagne as well as some chemicals and textiles.

The cuts are expected to reduce overall Soviet exports to the EEC by about 2 per cent a year.

A government official yesterday faced questions over the impact of this step on the Russians. What was the value of sanctions against Moscow, it was asked, if the Americans did not include grain supplies

He repeated only that a "political signal" was intended.

Schmidt firm on weapons export stance

BY OUR BONN CORRESPONDENT

WEST GERMANY'S coalition government is determined to maintain sole responsibility for decisions on weapons exports in the face of parliamentary efforts to gain a decisive say in the matter.

After a meeting of the Cabinet-level Security Council yesterday to discuss a reform of the 1971 guidelines on arms exports, the Government made it clear it would not relinquish sole responsibility.

But in an important concession to backbenchers, the meeting was attended by the floor leaders of the Social Democrat and Free Democrat parties that make up the coalition,

Both parties have been seeking to extend parliamentary power by persuading the Government to replace the restrictions that no arms sales be made to "areas of tension" with positive approval of all sales except to Nato members and like-minded democracies.

Party opposition has delayed a number of proposed export sales, most notably the delivery of Leopard-2 tanks to Saudi Arabia. This has occurred despite the importance attached to relations with West Germany's main oil supplier by Chancellor Helmut Schmidt.

By inviting leading party officials to give their views at an early stage, the Government will be in a better position to define what is politically possible and avoid creating a false impression with prospective buyers.

The Government still hopes to persuade backbenchers that exceptions should be made where the country's vital interests, especially over raw materials, are involved.

But both parties oppose the use of arms deliveries even for such political advantage, and this continues to delay progress

E. Germany has £52m surplus with Bonn

BY LESLIE COLITT IN BERLIN

EAST GERMANY last year achieved its first favourable balance of trade with West Germany since 1965, a surplus of DM 221m (£52m).

The excess was deliberate, allowing East Germany to reduce its cumulative trade debt to West Germany to DM 3.7bn by boosting its sales to West Germany.

Herr Franz Roesch, head of the Bonn economic ministry office in West Berlin which conducts trade with East Germany, said that by contrast East Germany had a deficit last year in its hard currency trade with other OECD countries.

East Germany's statistical office recently reported a surplus in overall trade but gave no details. Herr Roesch said the outlook for intra-German trade was good, as East Germany would seek to save scarce hard currency by expanding what is essentially sophisticated barter trade between Bonn and East Berlin.

East-West German trade rose 6 per cent last year to DM 12.5bn, a result which West Germany said was "favourable" in the light of worsening international economic conditions.

The West German deficit, which ran parallel to Bonn's overall deficit in its Comecon trade last year, was part of a conscious effort to allow East Germany greater access to the West German market.

The growth in trade between the two German states was less spectacular than 1980's 19 per cent rise because of the joint East-West German effort to sell East German products.

Thus, East German exports of brown coal to West Germany —an item difficult to sell anywhere else in the West—grew by 35 per cent last year to DM 178m.

East German sales of refined oil products to West Germany rose in value by 10 per cent. West Germany supplies the crude oil and East Germany sells the products to West Berlin

East German deliveries of iron and steel products to West Germany, mainly in compensation for purchases were up by 14 per cent to DM 252m.

Soviet Union 'supports West Germany'

BY OUR BERLIN CORRESPONDENT

THE SOVIET Union said it supported West Germany in its attempt to resist U.S. pressure for a harder line against Moscow by continuing the Soviet policy of detente toward Bonn.

Radio Moscow in the latest of a series of unusually frank broadcasts on the threats to Soviet-West German relations said that President Reagan's tough policy toward Moscow had "endangered human contacts across the borders."

It said these were the "most tangible result" of Ostpolitik for most West Germans. The report was displayed prominently in the main East German Communist newspaper.

East European officials said this was the first public Soviet reminder to Bonn that Moscow and its loyal East German allies had not interfered with visits

It served as a warning to West Germany that the point could yet come where these contacts—which resulted in 5m visits by West Germans and West Berliners to East Germany last year —could be curbed greatly.

The East Europeans said the most unusual part of the Radio Moscow commentary was the Soviet acknowledgement it had given Bonn "support in its attempt to resist American pressure and to follow its own national interests."

The Soviet radio report beamed to West Germany also reminded Bonn that West Germany has a "powerful peace movement which is growing increasingly strong" calling this another part of Moscow's goodwill policy toward Bonn.

Warning issued on Britain's car industry

By Kenneth Gooding, Motor Industry Correspondent in Geneva

IF THE pound does not come down in value "it is highly questionable that Britain will remain a car manufacturing country," said Mr Bob Lutz, chairman of Ford of Europe, yesterday.

But he made it clear he expects a decline. "It is now a petro-currency and the coming glut of oil will bring the pound down."

Mr Lutz said that if the value fell by roughly 12 per cent from the current DM 4.30 to DM 3.80, "Britain becomes a viable source of autos for Europe."

Ford produces about 250,000 cars a year in the UK, and is preparing the Dagenham, Essex, plant to make the Sierra, a replacement for the Cortina, due later this year.

Mr Lutz said that Ford of Europe had been "turning up the wick" of its $13.5bn five-year investment programme.

Both the Fiesta and the new front-wheel drive Escort have exceeded their profitability objectives and he was certain future investment programmes—including that for Sierra—would also pay off.

"The flow of our investment is containable and justified," he added.

Ford anticipated a return to normal levels of car demand in 1983 because "within a year European economies will take off" because inflation rates were coming down and so were oil prices.

European car sales could fall slightly this year from 9.6m to around 9.4m or 9.5m but would probably be back to 10m in 1983, according to Mr Lutz.

On the thorny question of the differential in car prices between European countries, Mr Lutz said the various Ford companies "would love unified prices.

"But how," he asked, "can we have one car price when the EEC countries all have different currencies and tax policies."

The extreme differential in the UK was due to the overvalued pound and the fact that consumers also compared prices mainly with those in Belgium where there have been price controls for three years and more recently a price freeze plus an 8 per cent devaluation of the Belgian franc.

France for court over farm aid

BY JOHN WYLES IN BRUSSELS

The European Commission agreed yesterday to take France to the European Court because its £500m aid package for farmers appears to breach EEC rules.

An official Commission announcement is expected today but it is understood that one of the reasons why it decided to act is the French government's inadequate response to requests for details of the aid package announced in Paris in December.

In addition, several other member states, with the UK in the forefront, have been angered greatly by the measures, arguing that they breached the concept of free and equal trade in the EEC.

The French package is a complete one and not all of its provisions will be challenged through the proceedings the Commission has opened.

Among the main targets, however, are the income supplements worth more than a quarter of the total, designed to help out low-income farmers.

Overall, more than 30 separate measures costing around £400m could be contested by the Commission.

This will be the second major case to be launched against the Mitterrand Government and yesterday's decision comes one day after the court was urged to rule against France on the first case.

This was a recommendation of one of the court's advocates general who proposed the lifting within 21 days of French restrictions on imports of cheap Italian wine.

The Commission's decision should help the atmosphere for the EEC annual farm price negotiations which begin this month. But hopes in the high-inflation countries such as Italy, Ireland and Greece, that some means may be found of justifying 12 per cent plus price rises for their farmers were dealt a blow yesterday by a report adopted by the Commission.

However, the Commission acknowledges that farmers in the high-inflation states could have been helped by government decisions to devalue their currencies which have not, in fact, taken place because of the disciplines of the European Monetary System.

But the report argues that membership of the EMS involves a broader economic strategy which, among other things, seeks to avoid the general inflationary consequence of devaluation.

Belgian central bank cuts interest charges

BY LARRY KLINGER IN BRUSSELS

BELGIUM'S central bank, signalling its confidence that the 8.5 per cent devaluation of the franc 10 days ago has now stabilised the currency at acceptable exchange rates, yesterday cut its main interest rates to their lowest levels in nearly 18 months.

The Banque Nationale de Belgique reduced the discount rate by one point to 13 per cent and the Lombard rate by 1.5 points to 13.5 per cent.

This compares to the record emergency rates of 15 and 17 per cent respectively imposed last December in the wake of sustained speculative runs on the currency.

The convertible franc, which opened strongly following the devaluation and then weakened, has since stabilised at around its central rate in the European Monetary System.

Meanwhile, the gap between the free-moving currency and the higher fixed commercial franc has narrowed to around 7 and 8 per cent, against a pre-devaluation difference of 10 to 12 per cent.

Exchange dealers, however, warned yesterday that the market was still maintaining a "wait-and-see attitude" over the franc.

The exchange market had largely discounted yesterday's interest rate cuts because they were widely expected

Dealers said that the market was still hesitant because of fears that union strike action against the Government's austerity programme could spread.

Jobless rate steadies at record 10.9%

BRUSSELS—Belgian unemployment at the end of February steadied at the record rate of 10.9 per cent of the workforce set two weeks earlier, the Belgian labour office said yesterday.

It said the number of unemployed rose by 1,100, however, in the second half of February to a record of 451,750, compared with 439,450 at the end of January.

There were 376,900 people out of work at the end of February 1981, or 9.1 per cent of the labour force.—AP

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National Party split limited to 16 MPs

By J. D. F. Jones in Johannesburg

AFTER A week of Afrikaner infighting and arm-twisting, the ultra-conservative breakaway group from South Africa's ruling National Party has been confined to 16 MPs.

Under the leadership of Dr Andries Treurnicht, they are expected to form a new political party on the Opposition benches in company with the Progressive Federal Party (PFP) with 27 seats and the New Republic Party with eight seats. The National Party now has only 126 seats.

However, observers believe that these figures may be misleading since the new Right-wing group is thought to have substantial grassroots support in the white constituencies, particularly in the Transvaal.

The new party will be able to work from this base and also with the expectation of winning the eventual support of the existing Right-wing parties, principally the Herstigte Nasionale Party (HNP).

Dr Treurnicht has resigned from his Cabinet post as Minister of State Administration, as has his colleague Dr Ferdi Hartzenberg, the Education Minister. Yesterday's National Party caucus meeting in Cape Town expelled 16 of the 22 MPs who last week refused to back a confidence vote in Mr P. W. Botha, the Prime Minister, and thereby occasioned the biggest crisis since the National Party came to power in 1948.

The Prime Minister has announced, surprisingly, that he will not be reshuffling the Cabinet. The portfolios of the expelled Ministers have been temporarily allocated.

Although the National Party still has a large overall majority and has managed to limit the Right-wing revolt, further changes may occur in the coming months. There has been speculation, for instance, that members of the New Republic Party (NRP)—a conservative Natal-based party, the rump of the old Opposition United Party—might feel at home in a National Party which professed to have recovered its dedication to reformist policies.

Yesterday the leader of the NRP, Mr Vause Raw, said that the National Party split was "only the second step in an ongoing process which has, by no means, ended."

Transport costs rise

By Bernard Simon in Johannesburg

SWEEPING increases in transport costs, averaging between 10 per cent and 15 per cent, were announced by Mr Hendrik Schoeman, the South African Minister of Transport, in his Budget speech yesterday.

The increases in rail tariffs and harbour and pipeline charges are expected to lead to significant price rises in many other products, notably petrol.

Among the higher tariffs is a 12.5 per cent rise in domestic air fares. Mr Schoeman disclosed that South African Airways, the state-owned airline which has a monopoly on many of its routes, lost R43.7m (£24.3m) between April and December last year, compared with a budgeted loss for the period of R8.6m.

Mr Schoeman also announced pay increases of between 15 per cent and 17.5 per cent for the 270,000 employees of South African Transport Services, which runs the railways, harbours and the national airline. Mr Schoeman said that parity in the wages of black and white employees would be reached within the next three years.

Israeli woman soldier carries child to evacuation truck in Hatzar Adar, Sinai

Axes and crowbars force squatters out of Sinai settlement

BY DAVID LENNON

ISRAELI soldiers wielding axes and crowbars yesterday forced protesting Jewish squatters out of a settlement in Sinai as part of the Government's tough new policy to end resistance by Israeli extremists opposed to the withdrawal from Sinai.

The squatters are trying by their physical presence to prevent the handover of eastern Sinai to Egypt on April 25. But the Government has decided to clamp down on their activities, barring the entry of new squatters and evicting some who moved in during recent months.

In a dawn raid on the Hatzab Adar settlement near Yamit, soldiers smashed down doors of caravans and huts, dragging out squatters who offered only passive verbal resistance. The squatters had placed their six guns in one of the huts, to ensure that the army would understand that they did not intend violent resistance.

Mr Abi Farhan one of the leaders of the "stop the withdrawal" movement, appeared shocked by the speed of the military operation. He admitted that his plan to move in more settlers and squatters had been disrupted by the army's action of recent days.

"But it's a long time till April 25, and we are only just beginning to organise to face the new situation," he said yesterday. "More opponents of the withdrawal are managing to reach the northern Sinai settlements despite the army road blocks. It will be a long struggle."

Professor Yuval Neeman, leader of the extreme nationalist Tehiyha Party which heads the parliamentary resistance to withdrawal, said it did not expect victories over the armies, but "we want to make it as difficult as possible to uproot Jews from Sinai, so that no Government would attempt to repeat this exercise in Judea and Samaria (the West Bank)."

The 60 squatters from Hatzab Adar settlement were taken by army buses and lorries to a military camp beside the Beersheba in the Negev desert. There they were given light refreshments, and told to go back to their homes in Israel.

In Yamit, many of the evacuees were expected to return to Sinai, infiltrating the military cordon around the area. "Dozens, maybe hundreds of people are getting through the cordon," claimed Mr Farhan, "and I believe that when the people of Israel see the photographs of what happened at Hatzab Adar this morning many more will join us."

Meanwhile, 23 members of the anti-withdrawal movement declared a hunger strike in Ashkelon jail where they have been held since the weekend after demonstrating against the placing of military road blocks on all the routes into Sinai.

Habib gives message to Assad

DAMASCUS — U.S. President Ronald Reagan and Syrian President Hafez al-Assad exchanged messages yesterday through the U.S. special Middle East envoy Mr Philip Habib.

The Syrian Government news agency Sana said Mr Habib called at the Presidential palace to deliver Mr Reagan's message to the Syrian leader, who handed him a reply.

Talks between Mr Habib and President Assad lasted about two hours and Mr Habib later flew to Jordan.

Mr Habib has already visited Lebanon and Israel. American officials say the general aims of his tour are to promote reconciliation in Lebanon. Reuter

Jordan backing for Iraq may affect arms sale

By Richard Johns, recently in Amman

JORDAN'S forthcoming request to the U.S. for sophisticated aircraft and missiles may be jeopardised by its backing for Iraq in the war again Iran.

Jordanian state radio said yesterday that the first batch of volunteers—pledged seven weeks ago by King Hussein to President Saddam Hussein of Iraq—had left for the front.

Both the U.S. State Department and the British Foreign Office are concerned that Jordan may become technically a belligerent in the conflict, a status which could preclude the supply of arms to it by the American and British Governments.

On first getting wind of King Hussein's plans during the visit to Amman by Mr Caspar Weinberger, U.S. Secretary of Defence, Israel immediately mounted a pre-emptive campaign to thwart sales of the F-16 or F5G aircraft and Hawk mobile missiles sought by Jordan.

The Israelis have not yet used the argument that Jordan has become a participant in the Gulf war, but are expected to do so. For its part, Israel is believed to have given covert support to Iran in the conflict.

Some 3,000 men have been undergoing infantry training in camps near Zahle, nearly all of them Jordanians. Among them are a large number of veterans of the Jordanian army, who are expected to make up as much as a battalion capable of undertaking front-line duties.

The majority are believed to be destined to undertake other functions like guarding communications.

The plan now is that the men will wear Iraqi uniforms and be paid by Baghdad. After the Jordanian Government had been elerted to the possible consequences of its involvement in the war, the decision was taken to arm the men with East European - manufactured AK-147s rather than the U.S.-supplied gun used by King Hussein's forces.

Jordan's army has large stocks of AK-147s captured from the Palestinian guerrillas.

BASE LENDING RATES

A.B.N. Bank	13½%	Robert Fraser	14 %
Allied Irish Bank	13½%	Grindlays Bank	‡13½%
American Express Bk.	13½%	■ Guinness Mahon	13½%
Amro Bank	13½%	■ Hambros Bank	13½%
Henry Ansbacher	13½%	Heritable & Gen. Trust	13½%
Arbuthnot Latham	14 %	■ Hill Samuel	§13½%
Associates Cap. Corp.	14 %	C. Hoare & Co.	†13½%
Banco de Bilbao	13½%	Hongkong & Shanghai	13½%
BCCI	13½%	Knowsley & Co. Ltd.	14 %
Bank Hapoalim BM	13½%	Lloyds Bank	13½%
Bank Leumi (UK) plc	13½%	Mallinhall Limited	13½%
Bank of Cyprus	13½%	Edward Manson & Co.	14½%
Bank Street Sec. Ltd.	15½%	Midland Bank	13½%
Bank of N.S.W.	13½%	■ Samuel Montagu	13½%
Banque Belge Ltd.	13½%	■ Morgan Grenfell	14 %
Banque du Rhone et de la Tamise S.A.	14 %	National Westminster	13½%
Barclays Bank	13½%	Norwich General Trust	13½%
Beneficial Trust Ltd.	14½%	P. S. Refson & Co.	13½%
Bremar Holdings Ltd.	14½%	Roxburghe Guarantee	14½%
Bristol & West Invest.	15 %	E. S. Schwab	13½%
Brit. Bank of Mid. East	13½%	Slavenburg's Bank	13½%
■ Brown Shipley	14 %	Standard Chartered	‖13½%
Canada Perm't Trust	14 %	Trade Dev. Bank	13½%
Castle Court Trust Ltd.	14 %	Trustee Savings Bank	13½%
Cavendish G'ty T'st Ltd.	15½%	TCB Ltd.	13½%
Cayzer Ltd.	14 %	United Bank of Kuwait	13½%
Cedar Holdings	14 %	Whiteaway Laidlaw	14 %
■ Charterhouse Japhet	14 %	Williams & Glyn's	13½%
Choulartons	14 %	Wintrust Secs. Ltd.	13½%
Citibank Savings	¶14 %	Yorkshire Bank	13½%
Clydesdale Bank	13½%		
C. E. Coates	14 %		
Consolidated Credits	13½%		
Co-operative Bank	*13½%		
Corinthian Secs.	13½%		
The Cyprus Popular Bk.	13½%		
Duncan Lawrie	13½%		
Eagil Trust	13½%		
E.T. Trust	13½%		
Exeter Trust Ltd.	14½%		
First Nat. Fin. Corp.	16½%		
First Nat. Secs. Ltd.	16½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 11.00%. 1-month 11.25%. Short term £8,000/12 month 13.6%.
† 7-day deposits on sums of: under £10,000 11.00%. £10,000 up to £50,000 11¼%. £50,000 and over 12¼%.
‡ Call deposits £1,000 and over 11%.
‖ 21-day deposits over £1,000 12%.
§ Demand deposits 11%.
¶ Mortgage base rate.

Richard Hanson in Tokyo reports on the reasons for a sudden love affair with bullion

Japanese lured by a golden opportunity

THE JAPANESE have caught gold fever, paradoxically just as the yellow metal has lost much of its glittery allure in the West.

Last year an unprecedented rush to hoard gold made Japan, normally a minor operator, in the world gold markets, the biggest source of new demand for gold in the world. Japan's imports of gold rose more than five fold during the year to about 167.3 tonnes. In one month alone, November, a drop in the price of gold to a two-year low prompted a record 43 tonnes of gold to be imported, helping make non-monetary gold the single biggest import from the European Community in 1981. Total gold imports amounted to Y537bn (£1.25bn).

It is perhaps too early to say whether Japan's new found interest in gold is to be a temporary affair or a lasting love.

"Some people are very naive about gold," says Mr Tadahiko Fukami, a senior managing director of Tanaka Kikinzoku Kogyo (TKK), by far the largest gold dealer in Japan (and the only one recognised as melter and assayer by the London Gold Market). "They just want to hold it in their hands," he says. About 80 per cent of the private gold sales are in the form of small 100 gram ingots or less.

Simple curiosity may also help explain why Japan alone last year continued to be a bullish buyer in an otherwise bearish market. The still prosperous Japanese are financially in a better position to indulge themselves in such curiosities.

A visit to TKK's busy main sales outlet in downtown Tokyo, indicates that gold buyers are a diverse lot. TKK says its customers are particularly fussy that the gold they buy does indeed glitter. So it pays careful attention to packaging its ingots.

Sophisticated Japanese buyers however, are increasingly inclined to view gold as part of an overall personal investment strategy. One obvious factor in the gold boom is a Government plan to enforce strictly the tax rules on deposit and other interest income from 1984 onwards, the so-called green card system.

There is believed to be a huge pool of "underground" funds (much of it in the form of falsified Postal Savings accounts) which may tend to flow toward tax-safe investments, such as private hoarding of gold. There is so far not much evidence to link the tax evasion to the gold boom, but the existence of a link is widely assumed.

But perhaps the most important factor behind the boom is simply that historically Japanese investors have been denied the opportunity to hoard gold. This, many believe, has created an enormous amount of pent up demand.

Individual holdings of gold were strictly controlled after the second world war by limiting overall trade in gold. Since Japan produces a negligible amount of gold itself, this meant holding back imports, which were not liberalised until 1973. The Government acted then to stem an embarrassingly large inflow of smuggled gold, which had been encouraged by artificially high prices inside the country.

But the stage was not set for the emergence of a lively gold retail market until exports were liberalised in July 1978. This assured investors that they would be able to sell any physical gold they bought.

The amount of gold being hoarded in Japan by individuals, despite three years of rapid growth, is still reckoned to be only 500 tonnes. This compares with over 6,000 tonnes in France. TKK believes that Japanese consumers will eventually hoard up to 3,000 tonnes.

The Japanese Government shows little interest in adding gold to the offcial reserves. It holds only 750 tonnes or so of gold, compared with 8,000 tonnes held by the U.S., preferring to keep most of its reserves invested in U.S. Treasury bills.

The U.S. obviously prefers this arrangement to having Japan buy Russian gold, and is believed many years ago to have discouraged a plan to buy gold directly from the Soviet Union. The Russians these days are actively promoting direct sales of gold to dealers in Tokyo.

There are two major efforts under way to make gold even more popular. First the commercial banks and securities houses are seeking permission to start, in April, selling physical gold across the counter in their branches, offering gold passbook accounts and gold certificates — ideas borrowed from the U.S.

The banks want to compete directly with the handful of gold dealers already in the retail market. These include a tiny number of newly-formed subsidiaries of securities houses (Nikko, Yamaichi and Daiwa) and a large trading house (Sumitomo Corporation).

But the main target is Tanaka Kikinzoku, which has 86 franchised outlets and a network of 500 shops as well as nine of its own branches spread throughout Japan. TKK holds a monopolistic grip on retail sales, estimated at perhaps half to two-thirds of the market. It introduced Krugerrands into the market (five tonnes of them last year), and can claim more responsibility for fostering the gold boom than anyone except perhaps the Russians.

TKK, which was founded in 1885 and remains a tightly held family business, literally decides the daily pricing for gold in Japan on its own.

TKK's virtual pricing monopoly is one of the main targets of those promoting the creation of a Tokyo Gold Futures Market. The 20 founding members of the market, mostly trading houses and mining companies, are under firm guidance from the Ministry of International Trade and Industry (MITI). It sat down last month to decide on rules before trading starts up late in March.

TKK must consider these developments a threat to its control of the market. It has in fact rather arrogantly refused to join the Gold Futures Market. So far the 34-member smelters' association has also toed the TKK line, but advocates of the market think some smelters will break ranks if the market is a success.

MITI's strategy has been to take a cautious, non-disruptive approach to the market. Speculation, frowned upon by the Finance Ministry, will be discouraged by an extremely high cash margin requirement of 20 per cent. Moreover, MITI calculates the annual trading volume will start on a low 300-500 tonnes, or just about twice demand for physical gold in Japan. By contrast, at the Comex in New York, the ratio is 50 to one.

MITI is not especially concerned that Tokyo take its place immediately as a link in the international gold futures market. Its aim was to provide a domestic market so that importers and users can hedge. More important MITI wants to use the official futures market to help rid the market of the unseemingly excesses of Japan's gold fever. One favourite was door-to-door sales of gold future "contracts" to gullible housewives, many of whom learned the hard way that all that glitters is not gold.

Sony unveils colour video printer

A COLOUR video printer called the Mavigraph, which electrically reproduces hard copy prints from video, colour TV and computer displays was unveiled yesterday in Tokyo by Sony Corporation, Yoko Shibata writes from Tokyo.

Mr Masaru Ibuka, honorary chairman of Sony, said the new printing system would pave the way for replacing conventional photography. It is used together with Sony's Mavica magnetic disc camera which was introduced last year.

The Mavigraph is compact and produces a colour print of any screen image by means of signal scanning. The new system uses a specially designed thermal head, sophisticated processing circuitry, new integrated circuits and high-speed transfer colour dye sheets.

Compared with the existing method of obtaining prints of Japanese characters and graphics stored in computers, Sony's method allows far smoother colour gradation.

The Mavigraph is also much cheaper than existing systems. It will be marketed in the second half of 1983, in tandem with the introduction of the Mavica camera system. The complete system is likely to cost less than £1,000. Home use type of Mavigraphy will be introduced six months later.

AMERICAN NEWS

Russia nearly 'ready to deploy laser weapons in space'

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE SOVIET UNION is about to take a big step forward in space warfare technology, with the likely deployment of its first laser weapons high above the earth as early as next year, according to Pentagon research.

By about 1990 a large, permanent, manned orbital space complex is expected to be operational, capable of effectively attacking ground, sea and air targets from space.

These forecasts by Mr Richard DeLauer, the Pentagon's research director, emerged from a secret briefing on Capitol Hill after a congressman, apparently inadvertently, read out extracts from the briefing during a subsequent public hearing.

The revelation, by Mr Ken Kramer, a Colorado Republican, was tape-recorded by a reporter from the newspaper, Army Times, which published the story this week. Mr DeLauer's assessment goes much further than earlier Pentagon estimates of Soviet space warfare capability.

The disclosure is almost certain to increase pressure for a bigger Pentagon space programme, for which $218m (£120m) is earmarked in the fiscal 1983 budget, raising questions about how far it was unintentional. Army Times said that Mr DeLauer had tried to prevent publication.

If Mr DeLauer is right, the Soviet Union could, as early as next year, start acquiring the capability of destroying U.S. intelligence and communications satellites as well as those those used for navigating and guiding missiles.

The two superpowers have so far failed in their efforts to negotiate a ban on anti-satellite weapons, a field in which the U.S. is also actively conducting research. But they did agree in 1967 "not to place in orbit around the earth, instal on the moon or any other celestial body or otherwise station in outer space nuclear or any other weapons of mass destruction."

Meanwhile, the Pentagon said it was seeking "access agreements" for air bases in the Western Caribbean, but refused to identify the countries involved and stressed that no decisions have been made. It said $21m had been requested in 1983 for "airfield improvements" in the area.

Agriculture Committee calls for budget changes

BY OUR WASHINGTON CORRESPONDENT

THE FIRST formal rebuff for President Reagan's 1983 budget from Congress was delivered yesterday by the House of Representatives Agriculture Committee when it voted unanimously to change the budget's requests for agricultural spending.

The committee, discussing the cost of agricultural commodity price support programmes, voted for estimates about $5.5bn higher than those presented by the Administration. It also changed the $9.5bn estimate of the cost of food stamps to a range of $9.5bn to $11.38bn.

In one vote, the Agriculture Committee has thus potentially increased spending by about $7bn to $8bn above the level estimated by the Administration.

The vote, like those of other congressional committees which will be held over the coming weeks, is only a recommendation, which then goes to the House of Representatives Budget Committee. That committee decides on the final estimates and arranges the priorities in the House recommendations for the budget. These recommendations then have to be reconciled with the Senate's and are later subject to extensive amendment in negotiations with the President.

The House of Representatives has a majority of Democrats, and was always expected to oppose many of President Reagan's budget proposals, at least in the first round of estimates and negotiations. The Senate has a Republican *majority. Thus the Agriculture* Committee's vote against the budget provisions is not a surprise.

Senator attacks bribery inquiry

By Anatole Kaletsky in Washington

THE U.S. Senate began debate yesterday on the expulsion of Senator Harrison Williams, who was convicted last year on charges of bribery and conspiracy, amid warnings from Mr Alan Cranston, the Senate minority whip, that the inquiry might have involved abuses of power by the executive branch of Government "of the magnitude of Watergate."

Mr Cranston told reporters that, in conjunction with leading Republican senators, he would launch an investigation into the way the Federal Bureau of Investigation and the Internal Revenue Service had "targeted" specific Senators and Congressmen to tempt them into receiving bribes in front of FBI agents disguised as Arab potentates and businessmen.

Although Senator Williams's expulsion is considered probable—he has, in any case, been sentenced to a three-year prison term, against which he is now appealing — there is still a chance that he may simply be censured. A censure resolution, which Mr Cranston and other Senators are proposing, would require only a simple majority, while expulsion *requires a majority of* two-thirds of those present and voting.

No Senator has been expelled since 1862, when Jesse Bright, an Indiana Democrat, was thrown out for conspiring to sell guns to the Confederate Army.

Meanwhile, in another Senate controversy, the chairman of the Senate Republican Campaign Committee, Senator Bob Packwood, is in hot water with President Reagan. In an interview with the Washington Post he said President Reagan "often goes off on a totally different track" when Republican leaders confront him with serious political problems.

After publication of the interview, Mr Packwood was so embarrassed that he telephoned the President, who was on board the presidential aircraft, Air Force One, to apologise. He did not, however, retract any of the criticisms, according to aides, but only apologised for making them in public.

Challenges await victor in Guatemala poll

BY HUGH O'SHAUGHNESSY AND WILLIAM CHISLETT IN MEXICO CITY

THE civil war that has been waged with increasing ferocity for years in Guatemala has always been something of a secret conflict. It has never received the attention from the world's Press that the rising against the Somoza regime in Nicaragua did in the late 1970s or that the insurgency in El Salvador is currently attracting.

The elections being held in Guatemala this Sunday are likely to mark the point at which the extent of the emergency in Central America's most populous, potentially richest and most deeply divided country begins to be revealed to the world.

This weekend 2.3m registered voters will be asked to cast their ballots in a poll which is every bit as controversial as the election to be held in neighbouring El Salvador three weeks later.

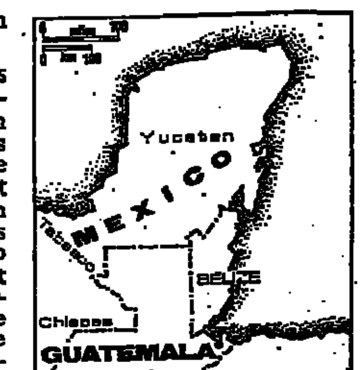
The election, like the Salvadorean one is being held in the middle of a civil war. The war has flared up and subsided over a period of nearly 30 years, but in the past 12 months alone an estimated 13,500 people have been killed. Many more thousands have fled the country.

The Guatemalan poll will be held in the absence of any presence of the Left or the centre whose candidates, have been murdered, forced into exile or silenced by government forces wielding power through the army or paramilitary death squads.

As in El Salvador there is little confidence that the published returns will bear much similarity to the way the voters actually voted. Despite some residual reservations about human rights the Reagan administration, in Guatemala as in El Salvador is seeking to bolster a right-wing government against what Washington perceives to be a threat from the Soviet Union and Cuba and the U.S. is stepping up its arms programme to the government of General Romeo Lucas Garcia.

Political observers are confident that the successor to General Lucas Garcia will be General Anibal Guevara, a former defence minister. Moderate conservatives such as Sr Gustavo Anzueto Bielman of the Authentic National Party and Sr Alejandro Maldonado the candidate of the National Renovation Party, and of one fraction of the Christian Democrats, are given little hope of success though the published results may give a good showing to former vice-president Mario Sandoval Alarcon, the fanatical right-winger whose party's emblem is the sword and the cross, symbol of the warrior monks of the middle ages.

The incoming president will face political and economic challenges even more acute than those already faced by General Lucas in his past four years in office. After years of divisions the Left is at last evolving a united strategy. It aims to force social change on a country where 2 per cent of the population controls a quarter of the national income and were the "indigenes" who make up the majority of the population of 7.5m are generally controlled by a minority of "Ladinos" or Guatemalans who have some European blood in their veins. The Left is wanting to make up for the years of right-wing dominance of Guatemala imposed by a right-wing coup d'etat in 1954, which was supported by the Washington government of the day.



The guerrillas left which until month operated in four distinct and unco-ordinated organisations is now unified in one military command. The URNG, the Guatemalan equivalent of the Farabundo Marti Liberation Front Salvadorean FMLN or Farabundo Marti Liberation Front. The guerrillas who are not as militarily sophisticated as their Salvadorean counterparts are backed by a broad spectrum of civilians who represent Social Democrats, some Christian Democrat factions, Communists, church people and organisations of indigenes. This political grouping the CGUP correspond to the Salvadoran FDR, the civilian wing of the insurgents led by the Social Democrat Dr Guillermo Manuel Ungo.

A leading figure of the CGUP is Dr Rolando Castillo Montalvo who, like many of his moderate countrymen have despaired of change coming about through the ballot box. A former dean of the faculty of medicine of the San Carlos University he is a surgeon not a guerrilla.

"Violence is the only way we will achieve democracy. All democratic channels have been closed to the people," he comments. His colleagues in the CGUP include ex-ambassadors, priests, peasant leaders and writers and they give the grouping something of the flavour that the Sandinista movement had in 1979 when it was on the verge of overthrowing the Somoza dynasty in Nicaragua.

The guerrillas and their civilian associates are now working towards launching the sort of offensive on the Guatemalan Government that the Salvadorean insurgents are waging.

Meanwhile, the Guatemalan economy shows all the symptoms of going into the headlong decline now affecting El Salvador. Growth in the GNP was down last year to 1 per cent from the 3.4 per cent of 1980. Tourism, once the second largest dollar earner, is drying up fast. Though the monetary unit, the Quetzal, is still theoretically on a par with the dollar, the central bank is wrestling with a flight of capital that is undermining the quetzal's real value. Coffee prices have declined and the country's biggest mining venture, International Nickels, Exmibal plant has just indefinitely stopped production; the country's balance of payments last year was $200m (£115m) in the red.

One bright spot in the past has been the promising finds of petroleum which were to give Guatemala a useful new export revenue. But in the present crisis international companies have been wary.

Despite oil industry denials, state department documents indicate that at least six guerrilla attacks have been launched against the oil pipe line which brings crude from the Rubelsanto field to Guatemala's Caribbean coast.

Canada worried by U.S. cuts

CANADA is worried that billions of dollars spent on producing highly skilled workers may be wasted because U.S. governments could lure trained workers away when the recession eases, Victor Mackie reports from Ottawa.

Mr Lloyd Axworthy, Minister of Employment and Immigration, said yesterday that extensive budget cuts in the U.S. could seriously undermine job training in Canada, Britain, France and other nations economically linked to the U.S.

The Minister said the U.S. had slashed its job training programmes by more than 60 per cent while Canada, Britain and France, among others, had either maintained or increased their spending in this area.

Canada plans to spend C$860m this year on job training, the same as last year, while the U.S. has cut 1982 spending to $3bn from $7.1bn.

Tribunal blow to Figueiredo

BY ANDREW WHITLEY IN BRASILIA

THE BRAZILIAN Government's efforts to prevent the creation of a unified political opposition received a setback yesterday following the Supreme Electoral Tribunal's endorsement of the merger of the two main opposition parties.

The military-led Government is anxious to avoid a polarisation and radicalisation of politics in the run-up to national elections planned for mid-November.

On Monday President Joao Figueiredo stated that democracy in Brazil should be both "liberal" and "pluralistic" when he delivered his annual message to Congress at the opening of the new legislative session. But the general repeated his invitation to opposition politicians to work together for national goals.

Confirmation of the merger of the centrist Partido Popular with the much bigger Partido do Movimento Democratico Brasiliero, which has a strong left-wing, marks the end of a chapter which began last October when the opposition parties scored an unexpected victory over the Government in Congress.

The presidential palace was silent yesterday after the tribunal's four to two ruling in favour of the merger. But for weeks pro-Government figures have made it clear that measures would be taken to neutralise the political effects of the merger if it were upheld.

The Generals who run Brazil are determined not to lose control over the electoral college which will be chosen on the basis of this year's elections, and which, in 1984, will select the new President.

Argentina's Foreign Minister, Sr Nicanor Costa Mendez, began a three-day visit to Brazil yesterday, with the countries' differing positions on El Salvador at the top of the agenda.

Since the last presidential meeting between General Figueiredo and General Roberto Viola, the former Argentinian president, last May, Argentina has moved much closer to the U.S. position on El Salvador and on the left-wing challenge in Central America as a whole.

Brazil continues to insist on non-intervention and on the need for an internal settlement of the Salvador conflict. Under General Neopoldo Galtieri the Argentinians are believed to be ready to send troops to support the Duarte Government in El Salvador, if they have not done so already.

Any suggestion of a mixed Latin American peace force for El Salvador will undoubtedly be rebuffed by Brazil.

Chile puts brake on inflation

Chile has recorded a negative rate of inflation for the first time in 32 years, AP-DJ reports from Santiago.

Sr Sergio Chaparro, director of the National Statistics Institute, said the consumer price index decreased by 0.8 per cent in February. Accumulated inflation for January and February was less than 0.1 per cent.

The Minister said the success was due to a decline in price of 142 of the 347 items on which the index was based.

President Pinochet's Government has reduced inflation by balancing its budget, tightly restricting monetary growth and maintaining a fixed peso-dollar parity for more than two years.

Some sectors are calling for the Government to modify its policies, because they have led to an economic slowdown.

WORLD TRADE NEWS

British exports volume likely to rise this year

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

THE VOLUME of UK goods and services exports is expected *to rise by 2.5 per cent this year*, the British Overseas Trade Board forecast yesterday. Imports of goods and services are expected to grow by 8.5 per cent.

"It is unlikely that the exceptional trade figures of 1981 can be repeated," Lord Limerick, the chairman, said in London as he introduced the BOTB annual report.

Lack of complete trade figures has made forecasting speculative, but the current account surplus for 1981 has been estimated at about £6bn.

Exports will continue to be affected by the loss of competitiveness which took place in 1979-80. But last year's improvements in productivity, the existence of an inflation level more in line with competitors, and the lower sterling parity should offset this disadvantage to some extent.

If sterling's parity "stabilises at something like the current rate, most of our exporters would vote that they wouldn't be unhappy with it," Lord Limerick said.

The forecast of a growth in imports follows the expecta*tion of some domestic economic* recovery. "As well as the forecast rise in final demand, the end to destocking is likely to contribute to this growth of imports," according to BOTB. But the current account should continue in surplus.

● The commitment of £174m in trade-related aid since 1977 probably represents the preservation of 45,000 jobs, Mr Peter Rees, the Minister for Trade, said in Hamilton, Scotland, yesterday.

There is an Aid and Trade Provision in the UK's aid budget which is used to top up the bids of British companies seeking contracts in competition with foreign groups using a mixture of aid and export credits.

Use of this portion of the aid budget has helped British companies to win orders valued at £760m, Mr Rees said.

He also noted that Scottish companies execute a particularly large number of contracts funded out of the UK's bilateral aid budget.

Japan-Spanish group set to build Moroccan plant

TOKYO — A Japanese-Spanish consortium has received a letter of intent from Morocco to construct a Y50bn (£115m) sulphuric acid plant, Mitsui and Company said yesterday.

A formal contract is to be signed next month between the Office Cherfien des Phosphate (OCP), Morocco's phosphate ore corporation, and a consortium comprising Mitsui, Mitsui Engineering and Shipbuilding and Spain's Fomento de Comercio Exterior SA (Focoex).

Under the full-turnkey contract, *the group will construct* the plant consisting of six units each with daily production capacity of 2,300 tonnes by 1985.

Last autumn the Japanese-Spanish consortium, France's Heurtey group and Britain's Sim-Chem group bid in the OCP's tender.

The winning group offered export finance, including an official yen credit, and Spain's Fund for Development Aid loans, it added. Japanese foreign ministry officials said Japan is ready to supply a Y10bn official credit to Morocco. They declined to say whether the loan would be used to help finance the plant project.

● Japan's Ministry of International Trade and Industry (MITI) said yesterday that Japan has signed a joint export insurance agreement each with Spain and Austria. The agreements, with Osterreichische Kontroll Bank A.G. and Compania Espanola de Seguros de Credito a la Exportacion, will make it easier and less risky for Japanese concerns to form consortia with local companies to win orders in third countries, Miti officials said.

Japanese in £62m pipeline loan to Australia

By Richard C. Hanson in Tokyo

JAPANESE banks will extend Y27bn (£62m) in a 15-year loan to finance 140,400 tonnes of steel pipe exports to be used in Australia's huge North West Shelf Natural Gas Project.

This appears to be the largest commercial yen export credit so far made by Japanese banks

The pipe is to be used in the first phase of the Western Australian project, which involves the laying of a natural gas pipeline from Dampier to supply Perth with 6.5m tonnes of LNG a year from 1984.

The second phase calls for shipments of a similar amount of LNG to a group of Japanese electric power companies. It was announced recently that shipments will start up in 1987, one year later than originally planned.

The Bank of Tokyo is serving as lead manager in the syndication, along with nine co-managers and 22 participants. The State Energy Commission of Western Australia is the borrower.

Only such international borrowers as the World Bank have been able to borrow at that scale, over a 15-year period.

The Bank of Tokyo declined to give details of the terms of the loan. The interest rate was set based on a fixed margin over Japan's current long term prime rate (8.6 per cent).

Australia will be able to draw down the loan over a two-year period, during which the pipes, supplied by a consortium of Japanese steel companies, will be exported.

The tonnage involved is equal to about two thirds of the total needed for the Perth pipeline. Italy is to provide the rest.

● Japanese banks yesterday signed an agreement to lend Y11bn (£24m) for 15 years as part of the financing for Panama's Colon Free Zone industrial development project.

A combination of World Bank and World Bank co-financed loans will provide funds for the rest of the $144m project.

Pesticide producers face free trade trap

BY SUE CAMERON, CHEMICALS CORRESPONDENT

BRITISH pesticide producers fear they may be trapped between the conflicting demands of UK safety standards and the free trade laws laid down in the Treaty of Rome.

Their concern has become so great that this week the British Agrochemicals Association called on the Government to help them out of their dilemma by invoking hitherto unused legislation.

Whether Ministers will be willing or even able to come to their aid remains to be seen—mainly because of the possible protectionist implications for EEC trade.

The pesticide manufacturers' difficulties began last August at the start of the autumn herbicide sales season. They found themselves faced with an influx of cut-price imports coming into the UK mainly from France and Belgium.

But these were no ordinary imports. They were what is known in industry as parallel imports.

International companies often sell the same product at different prices in different countries. They justify this on the grounds that volume sales and general trading conditions can vary considerably from one national market to another. Local prices, they say, must reflect these variations.

But when European price differentials become wide, the parallel importers step in. They buy in the cheapest markets, export to the most expensive ones and so manage to undercut manufacturers' own recommended prices while still making a profit for themselves.

What happened last year was that the prices of some half dozen or so herbicides were 30 per cent higher in the UK than in some Continental countries. As a result, the parallel importers were able to grab around 10 per cent of the UK's autumn herbicide market.

The large producers operating in the UK reacted by lowering their domestic prices.

This lowered their yields but enabled them to be competitive. But they had no legal redress under EEC law — the main object of the Treaty of Rome is to establish free trade across national boundaries.

The British Agrochemicals Association, however, may have found legal leverage for its members under Article 85 of the Treaty. The associations case will be based on the pesticide safety standards that obtain in the UK.

Safety regulations for pesticides have not yet been harmonised throughout the EEC. But for the past 25 years, Britain has had a voluntary code of practice which, according to the BAA, has worked well.

Under the Pesticide Safety Precautions Sheme — PSPS — members of the BAA have guaranteed not to put a new pesticide on the UK market or modify an existing product without first obtaining clearance from the British Government.

The BAA says it also had assurances from the Government that there existed a "complex network of back-up legislation" which would enable action to be taken against any pesticide that appeared on the UK market without having first been cleared under the voluntary scheme.

The parallel imports that appeared last year on the UK market had obviously not been cleared under the scheme. Even where an imported pesticide was identical to products that had been passed for sale in Britain, its label would not have been cleared and it would probably be in French or German rather than in English.

The entire safety precautions scheme—and pesticide safety is an emotive topic in Britain—was, therefore, being undermined. But the BAA's legal advisers have now said the scheme itself infringes Article 85 of the Treaty of Rome which forbids any agreements or undertakings that act as barriers to free trade within the EEC.

The question arises whether the UK Government and the BAA should try to maintain their existing safety practices, or whether they should adhere to EEC rules on free trade.

What the BAA has done is to apply for exemption from the EEC rules. Under certain circumstances, the European Commission can declare Article 85 inapplicable—provided it has been notified about the offending scheme

It has now been notified about the UK's pesticide safety scheme. Whether it will grant an exemption or not remains to be seen.

Cyprus in bid to boost its investment potential

BY DAVID TONGE

THE EASTERN Mediterranean nation of Cyprus yesterday found itself cast in the unusual role of offshore tax haven. Discussion of the divided nation's potential emerged during a one-day seminar in London on Cyprus as a business centre.

"Welcome to Cyprus" — as Iago says in Shakespeare's Othello — was invoked as speakers listed the advantages which have already persuaded some 1,300 companies to establish offshore operations on the island.

Among those later cited as examples were the U.S. concerns of Hilton Hotels, Johnson Wax, the National Cash Register (NCR) company, and Pepsico, as well as such well known European transnational companies as Rothmans of the UK and the Dutch-based Philips electronics group.

Over 4,000 shipping companies have also taken advantage of the favourable tax situation on the island. A new development is the approval of offshore banking.

Many of these concerns came following the destruction of Beirut as a business centre, but the Cypriot Government believes it has still to take full advantage of the situation and of its own location and communications; the island has been called the "telephone box of the Middle East," one speaker said.

Mr Chrysses Demetriades, a barrister helping foreign companies, told the seminar that, depending on the type of legal entity used for offshore activities, companies could either pay a tax of 4.25 per cent on net profits or no tax at all.

He underlined that the payment of some tax might be useful if it avoided the payment of a much heavier tax elsewhere. He also insisted that, unlike many low tax areas, Cyprus has anumber of double tax treaties with countries such as Britain and West Germany. It is negotiating such treaties with Eastern Europe.

He also referred to its special arrangements with Greece, the importance of which has increased following Greek accession to the EEC.

Mr Tatianos Tatianos, Customs and Excise director on Cyprus said the legislation on offshore companies would almost certainly be prolonged when it expires in 1985 and that rules governing shipping were to be extended by 10 years from 1983.

"We are adding new incentives, not reducing them," he commented.

Speakers also insisted that Cyprus, as a newcomer in the field of international tax planning, was not a country used only for tax avoidance.

Cyprus's dealings with the Middle East have jumped since Turkish troops seized part of the island in 1974. In 1980, Arab countries took nearly one-half of the Greek Cypriots' C£188m (£226m), exports, with clothing, shoes processed foodstuffs and chemical products being the main items involved. The lion's share of Cyprus's C£424m imports that year came from the EEC.

More West German tourists visit U.S.

BY LESLIE COLITT IN BERLIN

DESPITE THE effects of recession on West Germany's tourist industry, the U.S. still remains a "Traum," or dream, destination.

While foreign travel by West Germans fell 10 per cent last year, 3 per cent more West Germans visited the U.S. during the 12-month period—700,000—and a further increase is expected this year.

Not many years ago only a few U.S. airlines and hotel chains took part in the annual International Tourism Exchange in West Berlin. At the current fair, said to be the world's largest, the Americans occupy an entire hall under the auspices of the U.S. Travel Service.

At the moment they are licking their lips over a report in West Germany's Test consumer magazine. It shows that German travellers to the U.S. rated that country higher in almost all categories than they did any other destination.

This included accommodations, service, meals as well as the "general situation in the country."

Mr John MacDonald of Capitol Air is optimistic about future growth in the German market. Capitol Air is offering Germans access to its domestic network across the U.S. and to Puerto Rico at cut rate prices if they book a ticket across the Atlantic. The offer is said to be meeting with a brisk response.

Mr Richard Jones of Delta Air Lines notes that Delta's base at Atlanta airport—second busiest in the U.S.—was little known to Germans until a competitor, Lufthansa, began flying to Atlanta matching Delta's transatlantic service to Frankfurt in 1979. He cites this as an example of two companies enhancing each other's business.

Mexico cuts tariffs on some imports

MEXICO yesterday reduced the import tariffs on 1,518 articles as part of its economic stability plan, William Chislett writes from Mexico City. The tariff reductions, which go as high as 20 per cent, cover basic foodstuffs, raw materials and capital goods, and apply to over half the value of Mexico's imports.

Sr Hector Hernandez Cervantes, Deputy Commerce Minister, said the aim of the tariff reductions was to keep down the prices of essential imported goods.

Unemployed executives adopt the collective approach to job hunting

Raymond Snoddy meets the men behind a self help initiative for jobless professionals

AN UNEMPLOYED chemist faced a stiff job interview earlier this week. The questions were searching but at the end of the interview he was told he had got the job.

Unfortunately it is not yet clear whether he will be so lucky in real life. For the interview was a dry run the day before the real thing and the tough interviewers were colleagues in Executive Self Help, an organisation set up by unemployed executives in southern England to try to find themselves jobs.

The executives, many of whom have been unemployed for more than a year, have got together to market themselves and their skills aggressively as a group and to do something more active about their plight than merely waiting for job vacancies to appear.

From a room in the Portsmouth Management Centre they are circulating all the top companies in Britain and foreign embassies with details of the skills they have to offer.

Since the group was set up last November six new jobs have been found for members. One of the six was a retired naval officer who had not applied for a job for many years. The group advised him how to go about it and he got the job he was looking for—as bursar in a public school.

Executive Self Help began when Mr Zigmunt Malendewicz, who lost his job as an industrial sales manager for a European chemical and plastics group when the company pulled out of the UK, decided to get together with others in a similar position.

"I wrote 300 speculative letters to companies and answered all suitable advertisements. I even advertised myself in my local newspaper," said Mr Malendewicz. "But it produced absolutely nothing."

He suggested starting a self-help group in the Executive Post, the Professional and Executive Register publication which lists job vacancies. Thirty people replied and the group got going in Clanfield, Hampshire.

At the same time Mr Brodie McNeill, who had to give up his own distribution company, had set up a similar group in Portsmouth.

"He was on the local radio station in Portsmouth and I heard the programme. I was on the local radio in Southampton and he heard me. We got together," Mr Malendewicz said.

They believe that as a group they carry more weight than as unemployed individuals. Companies which might not even have replied to individual speculative letters are approaching the group. Recently representatives from both the Institute of Personnel Management and the Institute of Managers visited the group in Portsmouth.

"When you write to a company if you get a reply they say they will put your name on file. The file is usually the waste bin," Mr Malendewicz said.

The group can offer skills which vary from general and production engineering to marketing, selling and public relations. It even includes an interpreter, a dentist and an airline pilot.

The only qualification for membership is registration with the Professional and Executive Register (PER) as looking for work. PER plans to issue a leaflet about the group to encourage similar initiatives.

Apart from tackling the problem of unemployment "in a normal commercial way" Executive Self Help is looking into the possibility of setting up its own small companies.

The group is running consultancy services and has already solved a production problem for a local company making plastic coated cable.

Executive Self Help is also offering a "management overload" service to companies which need extra management for a short period.

Although the group is based in Portsmouth it says it would be glad to hear from unemployed executives all over the country.

Each weekday one of the members mans the telephone between 10.00 am and 4.00 pm. Every Tuesday all the members get together to boost morale, offer counselling and plan the campaign.

Neither Mr Malendewicz nor Mr McNeill, the group chairman, have yet managed to find a job. But they hope they will not be members of the organisation they founded for too much longer.

Itec centres to increase access to Prestel

By Ian Hamilton Fazey

THE DEPARTMENT of Industry's 100 Information Technology Centres will be equipped with British-made electronic editing terminals which will open up access to Prestel and other data bases for companies and organisations in major cities.

A £750,000 order for the terminals and associated equipment has been placed with the Liverpool company, Technalogics Computing, formed two years ago by three young former Plessey electronics experts and backed by more than £45,000 of National Enterprise Board funds.

Itec centres, sponsored by industry and local authorities, are being established throughout Britain, mainly in inner city areas, to train young unemployed people to operate information technology systems and equipment.

The TCL editing terminal allows information providers to the Prestel system to store their own data bases and edit or amend them inexpensively off-line. TCL software enables the data base to be expanded into an in-house or private viewdata system or to be interfaced with other information networks and computers.

The Itec centres will therefore be linked in a nationwide network and interfaced with Prestel and, among other, the Econet system of Acorn Computers. All Itecs will be registered as Prestel information providers. British Telecom has waived the usual £5,000 registration fee.

The first Itec centres, in Newcastle, Manchester and Leeds, will start taking students later this month. On Merseyside Marconi is sponsoring a centre in Wirral and Littlewood's one in the Charles Wootton Centre, Toxteth.

Business takes initiative in local affairs

By Lisa Wood

AN INITIATIVE to boost public involvement in business was formally launched yesterday when the Business in The Community Council was established.

The council, which has received strong backing from many influential employers and the Department of Environment during its six months of gestation, will act as a catalyst, bringing together employers and other local interests.

A small executive unit, headed by Mr Tiny Milne, until recently managing director of BP Oil, has been set up at 91 Waterloo Road, London, SE1, to provide advice and information.

The chairman of the council is Sir Alastair Pilkington. Other members include Lord Caldecote, Lord Sieff, Lord Weinstock, Mr Jack Smart, of the Association of Metropolitan Authorities and Mr Peter Jay, of the National Council for Voluntary Organisations.

Several of the 40-odd members of BIS, including the National Coal Board, the TUC, BSC Industries and the Confederation of British Industry, are already actively promoting community involvement.

Energy consumption rises for first time in two years

BY RAY DAFTER, ENERGY EDITOR

ENERGY consumption in the UK has started to rise for the first time for two years.

Latest Government figures show 0.7 per cent more energy was used in the November-January quarter compared with the corresponding period of 1980-81. Fuel demand in the latest quarter was the equivalent of 93.2m tonnes of coal as against 92.5m tonnes in the three months November 1980-January 1981.

The main reason for the turnaround is thought to have been the bad winter weather. It will be some time before the Government can assess whether the steady decline in energy demand — caused by the economic recession and conservation measures—is nearing its end.

The Energy Department's provisional statistics, published yesterday, show the UK's total primary fuel consumption fell from the equivalent of 355.9m tonnes in 1979 to 328m tonnes in 1980 and 316m tonnes last year.

Although there was a 7.1 per cent increase in natural gas consumption in the latest November - January quarter, compared with the corresponding three months of 1980-81, demand for oil products and nuclear/hydro electricity was substantially down. The consumption of oil products fell 2.7 per cent while the output of nuclear and hyro electricity fell 6.2 per cent. Consumption of coal rose slightly, by 0.4 per cent to 33m tonnes.

Domestic production of primary fuels—oil, natural gas and coal—continued to rise. Output in the November-January period was the equivalent of 85.9m tonnes—2.5 per cent more than in the corresponding period of 1980-81 and 2.7m tonnes more than consumption levels.

Oil output rose 8.5 per cent and natural gas production 5 per cent. Coal output fell 4.4 per cent.

● The Chemical Industries Association yesterday called for a new study into the structure of the electricity bulk supply tariff.

It rejected the review that has already been carried out by the Electricity Council. This, it said, was a "non-event."

What was needed was a "much more fundamental study of the bulk electricity supply problem." The association suggested a new study might lead to lower prices for bulk electricity users in the UK—many of whom are still paying considerably higher charges than their competitors in some continental countries.

North Sea coal search to cost £3.5m

BY OUR ENERGY EDITOR

THE National Coal Board has started a £3.5m offshore exploration programme to assess reserves at one of the biggest undersea collieries in the North-East.

Four boreholes will be drilled between four and seven miles offshore in the North Sea to plot mining areas in the Wearmouth Colliery, Sunderland.

The wells will provide information for the board's geologists and mining engineers planning colliery extensions. A drilling vessel will work to a depth of between 2,000 feet and 2,500 feet below the seabed.

Wearmouth is already mined up to six miles out from the main coastal shaft. Mr Humphrey Watson, North-East area director of the Coal Board, said the board was seeking to establish the pit's future as a major contributor to long-term mining plans in the region.

The exploration work is expected to last during the North Sea's good weather "window" between April and the autumn.

Since the board started its offshore drilling programme in 1973 about £9.5m has been spent on establishing reserves in what is claimed to be the world's largest operational undersea coalfield, stretching from north Northumberland to south Durham.

The last borehole drilled offshore was sunk off Wearmouth in 1980 and proved the existence of the High Main, Yard and Hutton coal seams.

A considerable amount of coal is thought to lie under the North Sea. At present it can be tapped only from shore-based operations.

Government blamed for rates rises

BY ROBIN PAULEY

MOST people blame the Government for rate increases rather than their local council, according to a Gallup poll published today.

The poll asked people whom they thought mainly responsible for rate rises. Some 57 per cent thought the Government, 30 per cent the local council and 13 per cent did not know.

Of people intending to vote Labour, 76 per cent blamed the Government, compared with 27 per cent of Conservatives, 59 per cent of Liberals and 65 per cent of Social Democrats.

The poll was conducted for BBC Radio 4 and New Society. It is unclear from the results whether people think central government sets the rate or whether people have understood the complexities of the new grant allocation system which makes it impossible for some councils to do other than impose substantial rate increases.

The poll also shows that most people are unsure which services are provided by local authorities. About 38 per cent would be prepared to pay more for improved local services such as schools and welfare, 32 per cent want services kept at their present level, while 22 per cent think services should be cut.

About half think some services, particularly refuse collection and road repairs, should be contracted out to private companies.

The poll shows 41 per cent in favour of increasing the Government's power to control council spending with 46 per cent against.

Tougher action urged against smoking

BY GARETH GRIFFITHS

REGIONAL and district health authorities should draw up tougher rules to try to discourage smoking, according to a handbook by the Action on Smoking and Health pressure group.

The guide was launched yesterday and provides a series of model rules and objectives for health authorities. Community physicians, the members of both the regional and the new district health authorities and community health councils have been sent 10,000 copies. It is aimed at policy makers rather than general distribution.

ASH views the reorganisation of the National Health Service in April as an opportunity for local health authorities to lay much greater stress on anti-smoking drives. The antismoking lobby has shifted emphasis from education on the dangers of smoking to concentrating on prevention.

There will also be more use of the public sector as a lever to make people aware of the health problems caused by smoking. The Health Education Council intends to produce a similar handbook for local education authorities. The West Midlands Regional Health Authority is having talks with the West Midlands Passenger Transport Authority about banning smoking on buses.

About half the present number of health authorities have some sort of anti-smoking policy, but ASH feels many such programmes are little more than declarations of intent and a ban on smoking at meetings of the authorities.

Smoking Prevention, a health promotion guide for the NHS, ASH, 27 Mortimer Street, London, W1.

Tighter laws urged on investment management

By John Moore, City Correspondent

THE Council of the Securities Industry, the City's main self-regulatory body, has told the Department of Trade that legislation dealing with the regulation of investment management should be amended urgently.

"The Prevention of Fraud (Investments) Act 1958 was largely designed to cope with practices that no longer prevail and it is universally agreed that the Act is ill-suited for the regulation of investment management," the council said.

"Various types of investment management fall outside the concept of the Act." The Council made its criticisms in a submission to the Department of Trade over proposed changes in the rules governing licensed dealers.

A series of scandals have rocked that part of the financial community formed by investment managers operating under Department of Trade licences as dealers in securities. The department has said it intends to tighten the lax regulations controlling it.

The Council said in its submissions that statutory authority for the regulation of investment management, which the department has in mind, is urgent and important. A fairly short Bill could achieve what is required.

The council has proposed proper management agreements to govern the relations between an investment manager and a discretionary client; a modified form of agreement is needed for a non-discretionary client, particularly where the manager has a responsibility for the custody of money or securities, it said.

The management agreement should disclose the basis of the dealer's remuneration and the way it will be collected: arrangements for varying and cancelling the agreement and the withdrawal of securities and money at the request of the client while the agreement is in force.

Another proposal is that the investment manager must undertake to his client to observe the conditions governing the management of investment.

An investment manager should agree with clients the general aims of investment policy: and any security or category of securities or other form of investment which is to be excluded from the portfolio; and any other special considerations.

He must also agree with the client whether he can invest in unit trusts managed by him, or by any subsidiary or affiliate in which he has an interest.

Finally, an investment manager should require the written consent of a discretionary client before he transacts any business outside normal Stock Exchange business.

Among other submissions the council urged disclosure of any conflict between interests of a dealer and of his client. The CSI also proposed tighter reporting requirements and monitoring procedures.

The Department of Trade is expected to receive in the next few days other submissions from City bodies such as the Stock Exchange.

BL Cars to inject £250,000 in graduates scheme

Lorne Barling looks at how academic discipline is helping plants

BL CARS, which has achieved annual cost savings of about £4m through a scheme allowing graduates to work alongside its engineers in developing new production techniques, is to invest £250,000 in its continuation and expansion.

The programme, run in conjunction with Warwick University, is aimed at bringing together academic disciplines and industrial skills in an environment where new ideas can be implemented quickly.

Mr William Horton, BL's director of Midlands and Northern operations, said, when announcing the deal: "BL's recovery plan is based not only on a succession of new models, but the exploitation of current and future technologies to produce them.

"Warwick, with its growing reputation for expertise in a wide range of production disciplines, is our ideal partner because it offers us a combination of research facilities and talented personnel."

The advantage of this new approach is that graduates or "teaching company associates" can apply their knowledge directly to problems on the shop floor, and see them implemented.

BL said the extremely good results from graduates, some of whom joined the company in senior positions, had led to the expansion of the scheme. Over the next three years its funding from the Science and Engineering Research Council will provide £250,000 for the scheme. The council gave a smaller sum for the first phase of the scheme.

One example of a successful new approach at BL was the introduction of a portable computerised testing system, checking the cars' electrical circuits on the production line rather than after completion. The new equipment, which carries 150 checks in a six-minute cycle, points faults out early, preventing lengthy major rectification work at a later stage.

The biggest single saving achieved by the graduates has been through the development of data banks to establish minimum tool requirements in BL plants, a system successsfully operated at Coventry Engines and now being transferred to Longbridge. This is saving BL more than £1m a year through a reduction in the volume of tools purchased.

A further £1m has been saved by a system to reduce steel stocks at Freight Rover, BL's panel van operation, from 10 weeks to a few days, by rationalising the large variation of sheet sizes and more accurate forecasting of requirements.

Progress has also been made on the use of abrasives as a cheaper alternative to metal cutting, non-contact inspection of components by electro-optical techniques, computer-aided dye and tool design, and computer-aided process planning.

Prof Kumar Bhattacharyya, professor of manufacturing systems at Warwick, said: "There are tremendous things ahead for BL, which has the potential to leapfrog the Japanese in many respects, and some of the changes planned are quite revolutionary."

"It is a question of how you integrate systems, improve the productivity of existing resources and ensure that technology is actually transferred. The right environment must be created before anything can be achieved," he said.

Efforts to create that environment at BL began seven years ago, with Warwick's first "teaching company" partnership. BL proved an ideal choice from the university's point of view, due to its wide range of activities for graduates

The project, originally controlled by a management committee chaired by Mr William Horton, has highly selective procedures in choosing the right graduates, and reporting on their work every three months.

BL is the first of Warwick's handful of teaching companies to fund an expanded scheme itself, with Mr Cliff Brett, a former plant manager at Longbridge, as a teaching company manager.

Mr Gordon MacFarquhar, director of personnel at BL Light Medium Cars, said: "This is recognised as a superb means of achieving defined company aims, and the response on the shop floor has been excellent.

"We are now well structured for the expanded scheme and have financial approval. The company has identified some key projects appropriate to be tackled in this way."

Graduates spend about two years with a company, generally working long hours in a factory environment, but the rewards are often worthwhile, such as joining BL at a much higher level than would otherwise be possible.

UK NEWS

Curtain up for arts productions on a grand scale at the Barbican

BY ANTONY THORNCROFT

THE £153m Barbican arts and conference centre in the City of London was opened officially by the Queen last night after years of controversy during its planning and building.

The London Symphony Orchestra, which will be based at the Barbican for three months of the year, played Wagner, Beethoven and Elgar in the 2,000-seat concert hall (which will double as a conference hall by day), while the Royal Shakespeare Company, the resident company in the theatre, performed some of its celebratory party pieces. The Royal group moved between the two auditoria.

The Queen also declared open an exhibition of post-1945 French art in the art gallery and a display of contemporary Canadian tapestries in the concourse. The concert hall will be open to the public from tomorrow, but the RSC will not appear until May, when it will give previews of its first productions, Henry IV Parts One and Two, before the official first night on June 9.

The opening of the arts centre completes the entire Barbican development, which got underway in 1955. The Corporatoin of London has financed the long and costly project from its rates. The current bill for the centre of £153m compares with the estimated cost of £16m when final approval for its construction was agreed in 1970. In the last year alone the bill has risen by £16.5m.

Although architecturally the Barbican belongs to another age, when the dreams of the planners and the Le Corbusier influenced architects paid little regard to popular feelings — the luxurious interiors will meet with more approval than the austere outside.

There are two theatres, the concert hall, three cinemas, an art gallery, a conservatory, meeting rooms, restaurants, bars and the main City library on the site, as well as the exhibition halls.

In the early years the revenue from conferences and exhibitions is expectde to meet the £5m-£6m annual cost of running the arts activities. The eventual plan is for the arts to be self-supporting—a tall order in today's economic climate.

The concert halls on the South Bank, a mile or so away, have suffered a decline in audiences in recent years and the Barbican will be offering a similar programme of concerts.

However, the arts centre—which will act as its own promoter as well as letting out the concert hall for hire—is planning to offer more popular music. Its first public concert tonight is typical: a Friday night is music night concert to be broadcast on BBC Radio 2.

The presence of the LSO should help the Barbican to develop an identity, as will the residency of the RSC. At its former London home in the Aldwych, the RSC could expect loyal audiences, approaching 80 per cent of capacity on an annual basis. It is adopting the same repertoire of Shakespeare plus forgotten blassics and new plays.

Like the LSO, the company is confident that once the public has visited the Barbican out of curiosity, it will return.

Fowler cuts National Insurance rebate for company pension plans

BY ERIC SHORT

SOME EMPLOYEES and companies face higher National Insurance payments from April next year, as a result of minor changes by the Government on occupational pension schemes.

The changes affect employees who have contracted out of the earnings-related part of the state pensions scheme, and their employers.

It will also be more costly for employers who change their minds and decide to go back into the state scheme.

Mr Norman Fowler, Social Services Secretary, announced yesterday that the rebate in National Insurance contributions would be reduced from 7 per cent to 6¼ per cent from April, 1983.

The employee's reduction will fall from 2.5 per cent to 2.15 per cent and the employers' from 4.5 per cent to 4.1 per cent, making employees bear a greater share in financing the NI scheme.

There will be a change in the method of calculating the cost of schemes buying back into the state scheme when stock markets are depressed.

The state scheme, which started in 1978 in its new form, gives employers the option to contract out of part of the scheme and provide that pension from a company scheme. In return, the National Insurance contributions rates are reduced.

The terms for contracting-out are reviewed every five years and adjusted, according to changing conditions. The new terms represent the considerations of the first review made since the scheme started.

At present the scheme provides a two-tier pension system—the basic rate flat pension, plus an earnings-related pension based on average earnings. Employees qualify for the full earnings-related pension after 20 years' service—that is, for employees retiring from April 1998.

Employers with company pension schemes have the option to contract-out of the scheme and provide the earnings-related pension, known as the Guaranteed Minimum Pension (GMP), from their company scheme. The National Insurance contributions rates are reduced to provide the GMPs.

So effectively, the NI rebate is being invested in the company pension scheme to provide the GMP at retirement of the employee. The size of the rebate is related to the average cost of securing that pension.

As the state scheme progresses towards full maturity, the average period to secure the GMPs lengthens and so the cost of providing GMPs reduces. Everyone anticipated the reduction to be lowered and the question has been by how much.

On the previous terms the reduction should have come down to 6¼ per cent. But Mr Edward Johnston, the Government Actuary, in his review of the terms felt that the contingency margins in the previous calculations were too high and could justifiably be cut. His new basis would have resulted in a 6 per cent rebate.

The pensions industry and employers organisations were concerned at this move. They said there was no justification for changing the basis after so short a period and pressed for the 6¼ per cent figure. The Government Actuary's main supporter, at least in public, was the TUC.

In the end it would appear that Mr Fowler has made a political compromise. Indeed, he said yesterday that a reduction as low as 6 per cent would put at risk smaller firms and those with above-average numbers of elderly and women employees.

Reaction to the move has been mixed. The Confederation of British Industry and the National Association of Pension Funds has attacked the Government for being too severe in its cut and endangering the partnership between State and occupational pension schemes.

The TUC, on the other hand, condemned the Government for not following the recommendation of the Government Actuary and bringing the rebate down to 6 per cent. It also condemned the Government for hitting employees rather than employers.

The Society of Pension Consultants and the Life Offices' Association regard the 6¼ per cent rebate as an acceptable compromise.

Increase in commission on stocks attacked

By John Moore, City Correspondent

A STRONG ATTACK against the Stock Exchange's plans for increasing charges on deals done within its market has been made by the Association of Investment Trust Companies.

Amid growing opposition to new commission rates proposed by stockbrokers, the associtaion has told the Stock Exchange it does not consider that a convincing case has been made out for an increase in the scale of commissions.

The association has argued that if an increase is to be imposed it is important that it should be spread fairly and in a way which will not damage the future efficiency of the stockmarket.

The association is concerned that the new rates will deter the small private investor from investing directly in equity shares through the stock market.

As institutional investors, most investment trusts would benefit in the short-term if a disproportionate amount of the increased commissions were levied on the smaller bargains, says the association.

The association proposes that the rates of commission up to a £10,000 consideration should remain unaltered and any increases in commissions should be spread as evenly as possible above that figure. If increases are to be imposed on considerations below £10,000, the percentage increase should be no greater than the average increases above the £10,000 consideration levels, it says.

The association is also concerned about the practice of some broking firms which provide investment management services without charge to the client. This puts them at an unfair advantage to other investment management concerns, and also requires higher levels of commission than might otherwise be necessary, it says.

Clare group comes out against special state aid to industry

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

A MORE purposeful government strategy of special measures to help industry would probably do more harm than good, the Clare group of economists says in an article just published.

The group includes Sir Alec Cairncross, former master of St Peter's College, Oxford, and several other distinguished economists.

It has argued strongly for a reflation of the economy and has been influential in formation of Social Democratic Party policies.

The article, in the Midland Bank Review, says the success of previous industrial policies has been very dubious under both the Labour and Conservative Governments.

As the most obvious examples it cites the development of Concorde and other aviation projects which failed to make a satisfactory return, and the "costly failure" of policies for developing nuclear power stations.

The article, written jointly by Sir Alec, Prof David Henderson of London University and Prof Aubrey Silberston, Imperial College, London, lists other "questionable or mistaken" policies.

These include the arranged mergers of the late-1960s (including BL); the setting up of aluminium smelters including the ill-fated Invergordon plant; a series of measures affecting computers and machine-tools; and the recent National Enterprise Board investment in office automation.

"Unfortunately some of these past failures and disappointments were due, not just to bad luck, but to ideas and assumptions which also underly some current conceptions of a more positive industrial strategy."

These include the official wisdom that identifiable industrial priorities can be identified effectively by official committees and that the viability of projects can be decided by estimating direct effects on employment, profitability and the balance of payments without taking account of wider considerations.

Midland Bank Review, spring, 1982: Box 2, Griffin House, Silver Street Head, Sheffield, S1 3GG.

JCB ends Leyland Vehicles contract

By Mark Meredith, Scottish Correspondent

THE J. C. Bamford earthmoving equipment company based in Staffordshire has pulled out of the remainder of its £5m contract to buy engines from Leyland Vehicles' Bathgate plant near Edinburgh. A Leyland official said the decision threatens a further 200 jobs at the factory.

Leyland Vehicles' restructuring plans for its truck division have required more than 1,300 redundancies from Bathgate and the ending of tractor production there. The plans led to a month long strike before the workforce agreed to the proposals.

Duing the strike, JCB said it would shift part of its order for engines from Bathgate to Perkins in Peterborough. Yesterday the company confirmed that the rest of the order would also be terminated.

A Leyland Vehicles representative said that specialised engines would still be produced for JCB at BL plants in the south.

Hardship fears

THE GRAMPIAN region of Scotland has warned of economic hardship to its traditional industries if the Government carries out its plans to remove assisted area status in August, making it ineligible for official aid.

The oil industry has, according to a recent study, given the region a false overall appearance of health. Jobs outside the oil industry have been lost at a more rapid rate than in Scotland as a whole.

Interest rates cut

NATIONAL Westminster Bank is cutting interest rates on Business Development Loans and Farm Development Loans by half a percentage point.

The net effective rates in each case will vary from 15 to 16.2 per cent depending on the term and whether security is offered.

Bank chief gives views on EMS

BY MAX WILKINSON

MEMBERSHIP of the European Monetary System could provide the authorities with a new policy instrument to supplement and possibly replace its present monetary target, Mr Robin Leigh-Pemberton, chairman of the National Westminster Bank, said yesterday.

However, he did not think there was an urgent need to join the EMS while the Government continued to pursue policies of sound financial discipline in the domestic economy, he told a meeting of the London Europe Society.

It was not clear whether the present parity of sterling, particularly the rate against the D-mark was the right one to fix within the EMS.

In view of such uncertainties, it would be best to adopt a wider fluctuation band for the pound within the EMS, if Britain did eventually join. The Government should not be in a hurry to participate until conditions were right.

Mr Leigh-Pemberton said: "My belief is that the Government will have to give greater weight to the exchange rate in its policy, whether or not Britain joins the EMS."

Antibiotics plant in switch to coal

BY MAURICE SAMUELSON

The Liverpool factory of Dista Products—one of the largest in Europe making antibiotics — is switching from oil to coal in a £3.5m effort to reduce its fuel costs.

Dista, a subsidiary of the U.S. Eli Lilly Corporation, employs more than 1,000 people on its 40-acre site at Speke.

The company will recieve a substantial grant from the Industry Department.

Almost £3m will be spent on four shell boilers, to be constructed by Babcock Power, part of Babcock International, at Renfrew, Scotland. This is one of the biggest orders of its kind in recent years.

If the boilers are too big to be delivered by road, they will be taken by sea to Liverpool. They will burn at least 20,000 tonnes of coal a year, to be supplied from a colliery in the North West.

The coal will be handled on site by the latest pneumatic equipment, designed and supplied by Macawber of Doncaster.

In addition to antibiotics, recently entered the field of genetic engineering.

● Parkinson Cowan GWB, one of Britain's best known shell boiler makers, has been renamed, Thorn EMI Industrial Boilers, it was confirmed yesterday.

Talbot seeking oil barter deal with Iran

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

TALBOT UK hopes to solve the problem of getting paid for the *car kits it ships to Iran* by arranging an oil barter deal, said Mr George Turnbull, chairman, yesterday.

A three-man Talbot team is now in Iran and the jobs of 2,500 employees at the Stoke, Coventry, engine plant which relies on Iran for most of its work could be depending on their efforts. The workforce, laid off before Christmas is being supported by the Government's short-term working compensation scheme.

Talbot stopped shipments last autumn when lines of credit dried up. The last payment was in September.

Last year the company shipped 70,000 kits to go into the Paykan model made by the Iran national company. This represents Britain's biggest single motor industry export order and is worth over £100m a year.

If Talbot cannot find a way of sorting out the financial tangle it would have to give up hope of breaking even this year, said Mr Turnbull.

● Holt Lloyd International, the maker of car care products will be closing its Barry, South Wales factory as a result of increased competition and falling demand in its UK markets.

● The Colt Car Company which imports Mitsubishi vehicles from Japan has suspended six dealers who also took on a franchise for a Korean car, the Hyundai Pony, launched in Britain earlier this year.

British Aerospace in talks on A-320

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE POSSIBILITY of UK taking a share in the development of the proposed A-320 150-seater version of the European Airbus will be discussed in Toulouse tomorrow by Mr Norman Lamont, Minister of State in the Department of Industry.

Mr Lamont will visit the Airbus Industrie's headquarters with Sir Austin Pearce, chairman of British Aerospace.

The visit had originally been set for early January, but was postponed because of bad weather.

British Aerospace already has a 20 per cent stake in Airbus Industrie, building the wings for the 250-seat A-300 and smaller 200-seat A-310 Airbuses.

Airbus Industrie is anxious to press ahead with the 150-seat A-320, but is still awaiting decisions from its German and British partners on their participation, in terms of work-sharing and financial contribution.

British Aerospace has told the Government that there are several possible options—either to continue building wings, or to undertake the forward fuselage and flight deck, or to undertake final assembly in the UK, or to make other parts of the aircraft.

In addition to discussing the A-320, Mr Lamont and Sir Austin, accompanied by officials of the Department of Industry and British Aerospace, will also review progress on the A-300 and A-310.

● A new airline, Metropolitan Airways, will take over the Link-City domestic air routes between Newcastle, Manchester, Cardiff, Bournemouth and Birmingham from Dan-Air. Dan-Air's trunk routes from London are not affected.

Extension of regional subsidies considered

By Maurice Samuelson

THE GOVERNMENT is considering broadening its subsidies to disadvantaged regions by making them available to service industries, Mr Patrick Jenkin, Industry Secretary, told yesterday's monthly meeting of the National Economic Development Council.

The Industry Department would also examine the proposed establishment of new regional economic planning bodies, although it was reluctant to set up a new tier of bureaucracy between central and local government.

Mr Jenkin was reacting to points in a TUC discussion paper on regional policy presented at the Neddy meeting, the top level forum for government, unions and industry.

He said that a quarter of the Industry Department's spending went on specific regional support.

Subsidies to manufacturing industry in the regions had created 325,000-375,000 jobs, he said. Of these two-thirds were in plants which, without the subsidies, would have been located elsewhere in Britain or overseas. The aid had also stemmed emigration from these districts, said Mr Jenkin.

The Confederation of British Industry said it could not support much of the TUC's paper, and was particularly sceptical about investment for social, rather than hard commercial reasons.

But it backed increased pressure on the EEC for development aid and said there was a case for "re-drawing" the regional map of Britain, whose economic characteristics had changed considerably in the past 20 years, particularly with the emergence of poor inner city areas.

Sir Geoffrey Howe, Chancellor of the Exchequer, was also cool to the idea of subsidising new jobs. While the TUC claimed that its proposed subsidy could be a gain of £1,300 per job to the economy, this scheme could mean a net cost of £1,300 per job, he said.

PAPERS TO THE NATIONAL ECONOMIC DEVELOPMENT COUNCIL

TUC urges £650m regional jobs boost

BY JOHN LLOYD, LABOUR EDITOR

THE TUC has proposed a range of regional subsidies including a £650m scheme to create employment and boost regional investment.

The main subsidy proposed by the TUC in its discussion document Regional Industrial Policy is designed to encourage employment, and is seen as a "central component of a future regional policy strategy."

The subsidy would:

● be set at 20 per cent of average earnings, that is, it would be worth £25 a week to the employer for each worker taken on, available for one year;

● generate extra output worth £1.3bn;

● create an estimated 250,000 jobs over one year and 167,000 jobs in the long term;

● be payable to all companies, manufacturing or non-manufacturing, which employ an extra worker.

The paper says the employment subsidy "would decrease unemployment and raise output in the assisted areas, would achieve a better balance between the number of capital intensive and labour intensive projects, and would give a bigger stimulus than could be achieved by increasing the level of investment subsidy."

The TUC also proposes the restoration of cuts in capital subsidies made since 1975/76, at a cost of £220m. But it also says that regional capital subsidies should be made "more selective" to aid the hardest hit regions.

The paper says current regional policy is outdated and ineffective, citing the level of unemployment and the decline of previously prosperous areas, like the West Midlands, which now had to receive assistance.

Regional bodies and local authorities should have direct access to the European Regional Development Fund, and that regional policies be integrated with national policies on transnational companies, says the TUC.

A new regional policy framework should include the encouragement of local enterprise boards, already set up by a few authorities, and the use of pension funds at local level to stimulate investment.

The Scottish Development Agency and the Welsh Development Agency should have their planning powers strengthened, while new regional bodies should be created where necessary. The TUC says that the local enterprise boards could become the "executive arms" of English regional planning bodies.

The paper recognises that conflict could arise between the different levels of authorities proposed, and says that this will remain "a major issue to be solved."

The public sector is seen as playing a major role in regenerating regional economies, both in creating employment and in investment. Regional bodies should be "tripartite in nature," reflecting the important role unions have to play in them says the paper.

'Give industry more help with fuel saving'

BY MAURICE SAMUELSON

THE GOVERNMENT'S reliance on prics to stimulate the more efficient use of energy is proving only partly effective, according to a paper submitted by Mr Geoffrey Chandler, director-general of the National Economic Development Office.

Mr Chandler suggests that of the £149m being spent by the *Government on conservation*, more should go to industry, in view of its importance as an energy consumer.

Most of the money in fact goes to the public sector (£75m) and in supporting domestic conservation (£35.5m).

Mr Chandler estimates that industries other than iron and steel, agriculture and the energy producers have cut their ratio of energy consumption to output by a mere 0.3 per cent a year between 1972-80.

Although he sees much scope for improvement his paper lists various reasons why this is not taking place.

In energy intensive industries, where the recession has had a particularly severe effect, companies have reached the point where attempts at conservation are being displaced by the effort and cash needed, "in many cases, for short term survival."

In other industries management effort and resources are often used for what are seen to be higher priorities.

There are also strictly limited resources available for the substantial management effort needed to squeeze more savings out of good housekeeping schemes—that is in monitoring and control.

"The way forward," Mr Chandler's paper concludes, "is to strengthen the limited work already under way in setting up energy conservation programmes for individual sectors."

Urging greater government financial support, the paper notes that both the French and German governments offer substantial financial support to their industries. Government agencies in these countries also guarantee access to funding to sound companies that submit conservation projects.

Construction chief attacks red-tape delays on projects

BY MICHAEL CASSELL

THE construction industry's resources are being grossly underutilised, the National Economic Development Council was told yesterday.

A report from Mr Gordon Brunton, chairman of the Civil Engineering Economic Development Committee, expressed deep concern about the recession in the industry. The level of maintenance, renewal and additions to the country's infrastructure was running "well below a prudent minimum."

In this situation it was disappointing to find public authorities—above all central Government — underspending their capital allocations because of lack of work ready to put out to tender.

Motorway and trunk road schemes had been underspent by 9-22 per cent in each of the last five years "because not enough work has got through the statutory and administrative hoops." There was the prospect of another big underspend this year.

Mr Brunton, who said unemployment in construction was running at about 20 per cent, claimed that sizeable civil engineering schemes, which might take only two years to construct, could take 10 to 15 years to go through pre-contract procedures.

The civil engineering "Little Neddy" is repeating its demand that the Government should make immediately available an additional £200m a year for works which could be started without delay. Ministers are still being urged to ensure that longer-term, essential projects can be implemented when needed by financing the required preparatory work.

The civil engineers have been examining ways of financing infrastructure investment to augment funds available from conventional public sector channels.

They have made progress on two specific alternatives. One plan would involve a financial contribution from those who stood to benefit from a new scheme, while a royalty scheme for new roads would see the investor paid according to traffic volumes.

Tebbit Bill could lead to 'worst blunder'

By John Lloyd, Labour Editor

A SENIOR Labour MP said yesterday the forthcoming employment legislation would remove from trade unions the obligation to contribute to stable industrial relations. He backed TUC efforts to organise against it.

Mr Eric Varley, the shadow Employment Secretary, told a conference of General and Municipal Workers' shop stewards in the electricity supply industry that the Government would rue the day it introduced the legislation.

This is the Employment Bill, introduced by Mr Norman Tebbit, the Employment Secretary.

Mr Varley said: "If it becomes law they may blunder into the worst period of industrial relations this country has ever seen. If it is impractical—if it is not widely accepted—then they will find it will break in their hands. Sooner or later some employer will want to use it."

He said trade unions had no need to take a lead from the present Government on individual rights because it had itself been responsible for a diminution of rights.

Trade unions themselves had never sought to coerce workers who had genuine and deeply felt ethical or religious objections to closed-shops.

He said it was clear the attempt in the legislation to compensate victims of the closed-shop in the period of the last government was "bogus."

"The very basis of trade union activity is to strive for 100 per cent union membership. The objective of the legislation is quite clear—it is to weaken trade unions."

Dockers to fight job scheme change

BY BRIAN GROOM, LABOUR STAFF

A DOCKERS' leader warned yesterday that attempts to move away from the statutory employment regime for 18,000 registered dock-workers would be resisted.

Mr John Connolly, national docks secretary of the Transport and General Workers Union, said the question of changing to voluntary regulation had been touched on in talks with employers taking place in a working party of the industry's national joint council.

The working party is due to meet again on March 12. It is studying the future of the statutory national dock labour scheme. This provides for employers and the union side to regulate the strength of the registered workforce jointly in scheme ports.

Mr Connolly said there had been substantial job losses over the years in spite of the scheme's alleged inflexibility.

Employers are approaching the talks cautiously. Their first priority is persuading the Government to give them financial help with about 4,000 voluntary redundancies over the next three to five years.

Mr Connolly would rather have money spent on investment than on redundancies. The cost of last year's 4,785 voluntary severances, which raised the industry's debt to the Government for severances by 360 per cent to about £60m, was depressing the level of this year's pay deals, he said.

Offers and settlements in the current round have mostly been in middle to supper single figures. Following the 6 per cent settlement last weekend at Tees dock, ending a 15-week strike, a dispute is threatened at the Port of London's Tilbury dock.

The National Amalgamated Stevedores and Dockers Union, representing about 300 out of 1,800 dockers covered by the enclosed docks agreement, has threatened to strike from Monday over an offer worth about 5.5 per cent, with a guaranteed minimum increase of £8 a week.

The dominant TGWU is balloting its members on the offer. A meeting is set for tomorrow with the port's arbitration body, the Port of London executive council, in a bid to avert the strike.

At the Port of Bristol, 700 dockers have been operating an overtime ban since February 11, over a 6.5 per cent pay offer.

Arbitration on London weighting for teachers

By Our Labour Staff

TALKS WERE continuing last night between leaders of 450,000 teachers and local authority officials over a claim for pay rises of about 12 per cent.

Both sides agreed yesterday to refer to arbitration a separate claim for a 13.8 per cent rise in the London weighting allowance paid to 108,000 teachers. The local authorities had offered a 7.5 per cent increase.

But it was still not clear last night whether any significant progress was being made over the local authorities offer of 3.8 per cent on basic pay rates.

More than 900 members of the National Union of Teachers continued their week-long strike action in the London Borough of Barking yesterday. The teachers are protesting against the council's plan to cut staffing levels by 149 jobs over the next two years.

The teachers say that the scale of the cuts would force the closure of whole departments in several of the council's 59 schools.

The national executive of the second largest teaching union, the National Association of Schoolmasters—Union of Women Teachers, will be asked today to back the action

Health service union may call overtime ban to press pay claim

BY IVO DAWNAY, LABOUR STAFF

THE CONFEDERATION of Health Service Employees warned yesterday it might call for an overtime ban and work-to-rule if the Government insisted on confining pay rises to its 4 per cent cash limits.

Mr Albert Spanswick, Cohse general secretary, added that the 200,000-strong union was not prepared to endorse any pay offer similar to that made to Civil Servants allowing some staff groups larger pay rises than other health service workers.

"We are talking abount maintaining standards of living for our members," he said. "We are not going to do that if we allow any group to have a higher increase at the expense of others."

The union, in line with other staff groups represented on the National Whitely Council, is seeking pay rises of about 12 per cent and reductions in working hours.

The management has not made a pay offer but has floated instead a package of measures suggesting a possible adjustment to existing pay scales and holiday allowances. A formal offer from the management is expected at a series of meetings next week.

Yesterday Cohse's national executive committee pledged full support for the lobbying of MPs on health service pay, planned by the TUC for March 15.

The executive also called on members to participate in nation-wide demonstrations and mass meetings intended to win public support for the pay claim.

Cohse branches will be balloted on the pay offer as soon as it is made. They will be asked to specify what industrial action is likely to be supported if their claim is rejected.

To highlight low pay in the Health Service, Cohse has published a survey of the wage levels of 50 staff at the Royal Surrey County Hospital.

The survey pointed out that a nursing officer, the most senior nurse on duty, in charge of four wards of 30 beds each, was paid £115 a week only. A cleaning worker employed at the same hospital was paid £52 for a 30-hour week.

Mr Spanswick described the survey's findings as "a national scandal."

Evans says unions need a strong Labour Party

BY OUR LABOUR EDITOR

MR MOSS EVANS, general secretary of the Transport and General Workers' Union, said yesterday that a strong Labour Party was a necessary complement to strong trade unions.

He was speaking at his union's diamond jubilee celebrations and the completion of an extension to Transport House, its Westminster headquarters.

He said: "We have a clear interest in seeing better pensions for the retired members of our society, proper education for our children, decent housing for all and — perhaps most important—a world free from the evil menace of nuclear war."

He added: "These objectives cannot be achieved by industrial strength alone. We must have a political voice, a voice that can speak for all working people. That can only be the Labour Party and it is the job of all of us to see that Michael Foot forms the next administration of this country."

Mr Evans said the need for unions to amalgamate to challenge the might of large corporations remained as great as ever. He welcomed into the TGWU two new unions — the National Union of Agricultural and Allied Workers and the National Union of Dyers, Bleachers and Textile Workers.

Times talks continue

BY OUR LABOUR STAFF

MR OWEN O'BRIEN, general secretary of the National Society of Operative Printers, Graphical and Media Personnel, was yesterday empowered by the union's executive to take over talks at Times Newspapers.

But Mr O'Brien said it was not necessary for him to step into negotiations while progress was still being made. So far, discussions with management have been conducted at chapel (office) and branch level.

Leaders of the two Natsopa clerical chapels and the union's machine assistants' chapel at The Times resumed talks with management last night on the company's plan to cut up to 600 staff jobs and 900 casual shifts.

On Tuesday, the company denied reports that it had agreed to lower its demand for 330 redundancies from clerical workers to 225. However, Mr Rupert Murdoch, the chairman, said on leaving for New York that there had been fresh signs of progress in several areas of negotiations.

Mr. David Astor, nephew of the Observer's former editor, yesterday announced that a new consortium has been formed to buy *The Times* should Mr Murdoch decide to close it.

The consortium would include Mr David Dimbleby, the broadcaster, Mr Peter Jay, chairman of TVAM, and Mr Jack Jones,

'Guarantee' for turkey strikers

MR BERNARD MATTHEWS has told striking workers at his turkey farms in Norfolk and Suffolk that they would not lose their jobs if they returned to work.

Mr Matthews, a leading turkey producer, gave his guarantee in a local press advertisement.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1978=100), retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1981							
1st qtr.	99.5	88.7	98	106.6	130.8	2,384	100
2nd qtr.	99.0	88.9	92	104.7	134.5	2,597	89
3rd qtr.	99.9	89.8	104	105.5	139.1	2,627	96
4th qtr.	100.5	89.7		105.4	168.5	2,758	104
July	99.7	89.4	101	104.5	139.5	2,552	92
Aug	99.7	89.7	126	105.0	139.0	2,636	88
Sept	100.3	90.4	86	103.5	138.8	2,673	97
Oct	102.0	91.5	95	106.2	147.8	2,729	99
Nov	100.3	89.8	94	105.6	158.4	2,764	104
Dec	99.2	87.7		104.6	193.1	2,762	108
1982							
Jan				107.0		2,829	114
Feb						2,836	114

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1980							
4th qtr.	94.3	91.6	117.1	86.6	71.0	77.2	10.1
1981							
1st qtr.	93.6	88.3	117.1	84.1	75.2	76.7	10.9
2nd qtr.	93.2	88.7	117.9	84.8	78.7	73.9	14.1
3rd qtr.	93.9	89.3	118.4	86.3	77.3	75.2	14.3
4th qtr.	93.8	89.1	121.3	85.8	82.3	74.5	11.7
July	94.0	89.0	118.0	86.0	77.0	75.0	14.5
Aug	94.0	89.0	118.0	86.0	76.0	76.0	12.5
Sept	94.0	90.0	119.0	87.0	79.0	75.0	15.4
Oct	95.0	90.0	124.0	87.0	85.0	75.0	13.4
Nov	93.0	89.0	121.0	85.0	83.0	75.0	14.1
Dec	93.0	88.0	119.0	85.0	78.0	73.0	7.7

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1980							
4th qtr.	126.6	111.3	+1,265	+2,114	+222	105.2	27.90
1981							
1st qtr.		107.0					28.34
2nd qtr.							26.73
3rd qtr.							24.26
4th qtr.	135.8	132.3	+748	+1,248	+705	99.8	23.35
Feb	121.7	114.3	+314	+755	+231	105.2	28.43
March		105.5					28.21
April		106.2					28.07
Sept	130.2	135.3	+13	+114	+290	100.0	23.70
Oct	133.9	126.3	+366	+532	+89	98.9	23.32
Nov	139.8	141.7	+51	+218	+214	100.2	23.46
Dec	133.8	129.0	+331	+498	+402	100.4	23.35
1982							
Jan							23.23
Feb							23.37

Trade figures for March-August 1981 not available because of Civil Service dispute.

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1980							
4th qtr.	8.8	20.2	11.2	+3,352	1,253	1,793	14
1981							
1st qtr.	6.8	8.8	12.4	+1,308	1,081	1,884	12
2nd qtr.	23.1	17.3	6.5	+4,250	1,108	1,936	12
3rd qtr.	8.1	18.1	29.7	+5,951	868	2,019	
4th qtr.				+2,184	422	1,980	
June	21.9	17.8	8.6	+1,164	371	674	12
July	14.2	17.2	19.8	+2,240	290	658	12
Aug	0.8	14.5	35.4	+1,246	244	659	—
Sept	9.7	22.8	34.3	+2,465	334	706	—
Oct	−4.7	20.2	24.0	+1,557	154	681	—
Nov	7.6	17.3	20.4	+443	65	642	—
Dec				+184	203	657	—
1982							
Jan					356		

INFLATION—Indices of earnings (Jan 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1981							
1st qtr.	195.3	213.8	212.3	280.4	268.7	261.56	101.4
2nd qtr.	202.2	225.8	219.4	294.0	277.0	245.07	97.8
3rd qtr.	209.9	235.9	224.1	299.1	278.8	260.83	90.6
4th qtr.		237.3	229.2	306.5	285.6	248.97	89.7
Aug	210.4	236.8	224.1	299.3	277.3	257.64	91.2
Sept	211.7	237.9	225.9	301.0	279.6	260.83	88.0
Oct	212.5	238.2	227.8	303.7	282.7	259.12	88.2
Nov	214.3	236.9	229.4	306.9	285.5	245.79	90.1
Dec	216.8	236.8	230.5	308.8	288.5	248.97	90.8
1982							
Jan		238.7	232.9	310.6	296.1	252.94	91.1
Feb						241.77	91.5

* Not seasonally adjusted.

Atkins predicts success on EEC payments

BY IVOR OWEN

BRITAIN will succeed in getting a better deal on the level of its contributions to the EEC budget, Mr Humphrey Atkins, the Lord Privy Seal and deputy Foreign Secretary, assured the Commons yesterday.

Several Tory back benchers underlined the growing impatience among government supporters over the slow rate of progress made by the Government in achieving its objectives, while Mr Eric Heffer, front bench spokesman on European affairs, renewed Labour's demand for withdrawal from the EEC.

Mr Nicholas Winterton (Con Macclesfield) complained that Britain was regarded as a "soft touch" by the other members of the EEC.

He stressed the need to eliminate the trading practices of France, Italy and Belgium which worked against the best interests of Britain.

Mr Atkins rejected Mr Winterton's view of Britain's standing in the Community.

He pointed to the "many improvements" in the working of the Community brought about by British initiatives.

Mr Atkins told his critics: "I do not pretend that all the problems have been ironed out—they have not—but that improvements have been made is undeniable."

Mr Heffer argued that the attempts to change the operation of the EEC had produced a feeling of "sourness" towards Britain, and contended that it would be better for all concerned to adopt Labour's policy of withdrawal.

Mr Atkins retorted that if Mr Heffer really believed Britain could leave the Common Market without damage he ought to consult his colleagues in the TUC who clearly took a different view.

Mr Ron Leighton (Lab, Newham NE) dismissed the efforts to secure changes in the Common Agricultural Policy as a "charade" and claimed that Britain was now being asked to contribute £1.4bn to the Community budget.

Mr Atkins reaffirmed that it remained the Government's determination to solve the budgetary problem in accordance with the agreement reached by the EEC heads of government.

Nott announces expansion of reserve armed forces

FINANCIAL TIMES REPORTER

UP TO 7,000 young people are to be given the chance of two or three week's training with each of the armed forces, Mr John Nott, Defence Secretary, announced in the Commons yesterday.

It was part of a package unveiled by Mr Nott to boost Britain's reserve forces.

His plans include a new Home Service Force linked to the Territorial Army, the expansion of the TA from 70,000 to 86,000, and the formation of two new TA regiments.

"This is nothing to do with national service—this is nothing to do with conscription," stressed Mr Nott.

But it was attacked by Mr John Silkin, shadow Defence Secretary, as a "smokescreen" to prevent the country from understanding what was happening to Britain's conventional forces.

Mr Nott said he intended to offer up to 7,000 young people a two- or three-week period with each of the forces, starting in mid-April.

"The courses and all travelling will be free," he told MPs. "Young men and women would apply through recruiting offices and would undertake courses with service instructors, covering a range of activities of the kind made available now on outward bound courses."

Applicants from cadet forces would have priority, said Mr Nott.

"It will give the young people concerned an insight into service life, leading onto the possibility of interesting them in joining the reserves."

The scheme was being made possible because of the low numbers leaving the forces at present and a consequent reduction in recruit intakes, leading to spare capacity in the training establishments, said Mr Nott.

On strengthening the reserve forces, Mr Nott said the Government's first priority was to improve the operational efficiency, equipment, accommodation and structure of the present TA.

Already the Government had allowed for the TA to increase the average number of training days to achieve a higher standard. Some units were also being allowed to recruit above normal establishment.

Mr Nott announced that two new regiments of the Royal Engineers would be formed for home defence and the need for improved reconnaissance would be met by changing the roles of three yeomanry regiments.

Solidarity questions its 6,000 members

By Elinor Goodman

LABOUR'S Solidarity campaign is sending a questionnaire to its 6,000 supporters asking them what they think the organisation's priorities should be in its fight against the hard Left.

Among the questions it asks are: What direction should the party be going in? What is worrying you most about the party? Should Solidarity be involved in policy issues? Should Solidarity campaign for one-man one-vote?

The results will be collated over the next few weeks and will form the basis of Solidarity's tactics.

The questionnaire is part of an effort by Solidarity to involve people in the constituencies and so counter the gains of the far Left.

About 75 organisers from all over the country met privately in London last week to consider priorities. No resolutions were passed, but the strong message to come out of the meeting was that it was essential to the party's credibility that the current inquiry into the activities of the Trotskyist Militant Tendency results in tough action.

There was also apparently general agreement that if Solidarity was to make a real impact, it would have to strengthen its own organisation.

After the January "truce" between union and labour leaders at Bishop's Stortford, Solidarity seemed uncertain how to proceed. At one point it was suggested that it should adopt a fairly low profile this year so as not to give the far Left any justification for resuming hostilities.

Since then, however, Solidarity leaders have made it clear that, while there can be no question of reversing the constitutional gains made by the Left before the next election, Solidarity must continue to organise.

To this end it is sending out a number of "model resolutions" which it hopes will be approved at this year's party conference.

Three-year tobacco and sport deal

A THREE-YEAR agreement covering tobacco companies' sponsorship of sports events was announced yesterday by Mr Neil Macfarlane, the Minister for Sport.

The agreement was in line with tobacco industry expectations and was not as tough as anti-smoking groups had hoped.

One of the main changes will be for the health warnings to be given prominent display at sports events sponsored by tobacco companies. These will be given roughly the same prominence as health warnings on posters.

Commons Sketch

Forget invincible, now it's three cheers for the Terriers

THE ANNOUNCEMENT in the Commons yesterday by Mr John Nott, the Defence Secretary, provided sure confirmation that the Government is in trouble over its defence policy.

Conservative MPs have grown increasingly stroppy as the Invincible aircraft carrier has been sold off to the Aussies and the cost of Trident has placed a greater strain on conventional forces.

Yesterday, however, all was sweetness and light again as Mr Nott unveiled plans for beefing up the Territorial Army. Government back benchers, TA officers to a man, fell over themselves to congratulate him.

But there was more to come with the announcement that "Dads Army" is to be resurrected with the creation of a new Home Service Force for those with service experience.

As if this were not enough it seems we are to get a "Mums Army" as well. For the past year Maggie Thatcher has been enthusing about some form of voluntary military service for teenagers. As a result 7,000 youngsters aged between 16 and 19 are to be offered two to thre weeks with the armed services, all expenses paid.

"I hope that a period of mixing with service instructors will give the young people concerned an insight into service life," said Mr Nott hopefully.

It depends what sort of insight you are looking for. The Tory enthusiasm for the character-building virtues of military life always puzzle the rest of us non-commissioned types, who did two years national service.

Ah, the memories of those delightful days when we learned to play a neat hand at poker, when we weren't too busy chatting up the attractive Naafi girls or selling our cut price cigarette rations to the local civilians.

Senior officers are said to be extremely lukewarm about the idea of youthful trainees and, to be fair to Mr Nott, he did not seem to think much of it either.

"I am not making any huge claims," he admitted. "I think it will prove to be useful. I don't put it any higher than that."

The master plan also envisages 12 new Territorial Army centres across the country. Imagine the consternation in the Kremlin as the maps are rolled out and Soviet strategists puzzle over the significance of this latest capitalist scheme.

What is the strategic significance of Telford New Town? How many weekend soldiers will be deployed in Bangor, Bedford, and Sutton Coldfield? Even more mysterious, just where is Alnwick, Northumberland (Parish and market town, population 6,988 incorporating Alnwick Castle, residence of the Dukes of Northumberland)?

Mr John Silkin, Labour's defence spokesman had no doubts. It was merely a smokescreen to cover up the deficiencies of our conventional forces resulting from the cost of Trident.

Left wingers who would like to see Britain's defences scrapped altogether were even more scathing. Mr Frank Allaun (Lab Salford East) saw it as a prelude to compulsory national service.

To these objections Mr Nott, an ex-regular officer in the Second Gurkha Rifles, gave an old solider's reply: "The right honourable gentlemen ought to get some service in!"

John Hunt

Thatcher toughens line on SA cricket tour

BY PETER RIDDELL, POLITICAL EDITOR

THE PRIME MINISTER yesterday took a somewhat tougher stand against the tour to South Africa by a group of English cricketers than during Commons questions on Tuesday when she refused directly to condemn the visit.

In a written parliamentary answer Mrs Thatcher noted that the tour could not be regarded "other than as a major sporting link with South Africa." As such "it is contrary to the principles of the Gleneagles Agreement, to which the Government is committed."

Mrs Thatcher paid tribute to the Test and County Cricket Board for "all they have done to uphold the principles of the Gleneagles Agreement."

The Prime Minister also conceded that the tour could "jeopardise the future of multi-racial international cricket; it could also have implications for international sport generally.

"I deeply regret that the Government was not given the opportunity to discuss the matter beforehand."

Mrs Thatcher is having to tread carefully on the issue because of the major divisions within the Tory Party over the tour.

More than 50 Tory Right-wingers have signed a motion congratulating the cricketers who have gone on the tour. Their view has been attacked, however, not only by a large number of Labour MPs but also by a group of more moderate Tory members.

An early day motion has been put down by a group of MPs of the left of the Tory Party stating that the decision by the cricketers is neither sensible, helpful, nor in the best interests of the game.

These divisions between the left and the right of the Tory Party are likely to inhibit any action by the Government beyond the strongly critical words already uttered by Mr Neil Macfarlane, the Minister of Sport.

In her answer yesterday the Prime Minister made it clear that any action must lie with the Test and County Cricket Board.

● In Nairobi, Lord Carrington, Foreign Secretary, said he deplored the tour.

"I think that the results of this will be damaging for everybody and I don't believe it's helpful," he said at a news conference at the end of a five-day visit to Kenya.

Lord Carrington advised other sportsmen who might be thinking about playing in South Africa "not to do something like this" because of the damage to Britain.

He hoped the tour and last year's South African rugby tour of New Zealand would not lead to an African boycott of the Commonwealth Games scheduled for October in Brisbane, Australia.

SDP outlines £4bn plan for alternative Budget

BY PETER RIDDELL, POLITICAL EDITOR

A BUDGET PACKAGE adding about £4bn net to the public sector borrowing requirement was outlined last night by Mr John Horam, Social Democratic economic spokesman in parliament.

Mr Horam presented the SDP strategy to take 1m people off the unemployment register in about two years as an alternative both to the policy of the Tory "wets" and to Labour's £9bn expansion programme outlined on Tuesday.

In a speech in Canterbury Mr Horam said the necessary measures were:

● A substantial programme of public investment.

● A £70-a-week subsidy to employers for each worker employed who had previously been unemployed for six months.

● A crash programme of house improvement and insulation.

● A youth employment subsidy of £30 per week, designed to help employers give jobs to 16- to 18-year-olds who had lost their jobs. This would be linked to day release.

● A special programme to add to social workers, such as home helps.

● A cut in the National Insurance surcharge from 3½ per cent to 1½ per cent.

● A full indexation of income tax thresholds and all benefits, raising the child benefit allowance by £1 a week.

The SDP's aim is to produce a steady build-up of economic expansion with particular emphasis on measures to cut unemployment in the short term.

Mr Horam said the longer-term aim should be to get back to full employment, defined as say 4 per cent unemployed.

It is particularly important to resist the idea that the present levels of unemployment are inevitable and unavoidable. This is the mentality of the 1930s slump. It must not seize hold here again.

The package is slightly smaller than the £6bn programme proposed by the Liberal Party. That included abolition of the 3½ per cent surcharge as well as indexation of tax thresholds and additional capital investment.

Pressure on Tebbit to tighten Employment Bill

BY ELINOR GOODMAN, POLITICAL CORRESPONDENT

MR NORMAN TEBBIT, the Employment Secretary, faces new pressures from Tory right-wingers to tighten up the Employment Bill now going through Parliament.

Mr George Gardiner, one of the leaders of the Conservative back bench rebellion on Mr James Prior's employment legislation, yesterday tabled an amendment to the Bill aimed at making unions go through agreed disputes procedures before taking strike action.

The amendment has the support of a number of employer organisations. But Mr Tebbit does not seem attracted by it.

Mr Gardiner is to take a deputation of employer organisations to see Mr Tebbit next week.

Yesterday he claimed that the amendment would make strikes "the weapon of the last resort rather than of first."

The amendment would withdraw legal immunity from unions which did not exhaust the agreed disputes procedures before taking strike action.

In the same way unions would retain their immunity where an employer acted outside the agreed disputes procedures.

In the absence of agreed procedures the dispute would have to be referred to the Government's arbitration services, and only if that failed to resolve the dispute would strike action attract legal immunity.

The idea was included in the Government's Green Paper on trade union immunities, and was supported by the Confederation of British Industry, the Association of British Chambers of Commerce, and the British Institute of Management as well as the Institute of Directors, which of all the employer organisations has consistently taken the most hawkish line on trade union reform.

But despite the breadth of support for the idea, the Department of Employment seems to take the view that it would not work in practice—partly because existing disputes procedures were not drawn up with a view to giving them legal force.

Edwards rejects Welsh water equalisation

By Robin Reeves, Wales Correspondent

SUGGESTIONS for defusing the growing row over soaring Welsh water rates were yesterday rejected by Mr Nicholas Edwards, the Secretary of State for Wales.

Mr Edwards told the Welsh affairs select committee that Wales's position was not unique. Public anger at the steep rise in Welsh water charges was in part justified, but the strong feelings also arose from misunderstandings.

Mr Edwards ruled out restoration of a water equalisation scheme to even-out the charges between different water authorities. Labour's equalisation arrangement had had perverse effects, with poor authorities subsidising the rich.

The Government had concluded no scheme could be devised which avoided such pitfalls, he said.

He also rejected the Welsh Water Authority's suggestion that its inherited debt should be written off. At £100m, it was, in any case, a rapidly declining proportion of the total debt of £350m.

Mr Edwards recognised there was a case for a unified national water undertaking, but the Government did not accept it.

He refused to be drawn on the possibility of the WWA charging more for bulk supplies to English authorities, which is now under study. He expected a decision on this in May but stressed that abandoning the principle of no profit no loss on water transfers would be a fundamental step.

Assitants probe

MORE THAN 100 MPs who have taken on new assistants yesterday received letters from security authorities at the House of Commons asking them for confidential details. The move follows fears that some assistants may be employed by foreign intelligence agencies or industrial concerns.

Belfast S: can Paisley be stopped?

Margaret van Hattem on today's Ulster by-election

Is Ian Paisley unstoppable? That is the only question posed in today's by-election in South Belfast, but the prospect of elections for a new Northern Ireland Assembly later this year has given it more urgency.

In recent years Mr Paisley's personal brand of militant Unionism has gone from strength to strength, choking the growth of minor Unionist parties, eroding the foundations of the Official Unionists, the oldest and biggest of the parties—and the one which formed the basis of the former Stormont government.

Today, Mr Paisley challenges the Unionist establishment in its strongest bastion. If his Democratic Unionists, in the person of the Rev William McCreag, his claim to speak for Unionist Ulster will be upheld. This would probably spell the end of the Official Unionist Party, at least in its present form.

If he loses, the respite for the beleaguered OUP might still be only temporary. But at least the myth of his invincibility would be shattered, and the possibility of a Unionist alterantive to Paisleyism would remain open.

Nothing illustrates so graphically as today's by-election the decay of Ulster politics under direct rule from Westminster.

In a week when British Enkalon has joined the long line of major employers withdrawing from the province, when others such as De Lorean and the giant Harland and Wolff shipyards face an uncertain future, when the rapid downward spiral of the Ulster economy has been pushed under everyone's nose, the election campaign has provided a virtuoso performance of fiddling while Rome burns.

Not a single issue or debate has been allowed to mar the effect. That the man who fills the seat at Westminster will be powerless to do anything constructive for his constituents goes without saying. Resistance, defending the Unionist position against Westminster's attempts to foster political progress, is what this election is about.

The only contest is over who should lead the fight.

Fanning southward from central Belfast, the constituency incorporates a fair cross-section of Unionist society, interrupted by a few isolated pockets of working-class Roman Catholics and a thin sprinkling of middle-class ones.

It therefore provides a credible testing ground for the theory that Paisleyism appeals mainly to working class Protestants, while the middle classes remain true to the more conventional style of the OUP.

South Belfast spreads from the crumbling brick terraces of the inner city through streets of neat hut modest brick houses, on to lawns and villas of professional suburbia and out to the housing estates occupied by immigrants from the slums of West Belfast.

Resistance, defending the Unionist position against Westminster's attempts to foster political progress, is what this election is about. The only contest is over who should lead the fight.

Although some of the skilled workers, particularly those employed by Harland and Wolff and the small engineering firms which act as its suppliers, are under threat, South Belfast has the lowest unemployment rate of the four Belfast constituencies.

When North and East Belfast fell to Mr Paisley's Democratic Unionists, South Belfast remained rock solid for the OUP, which retained the seat in 1979 with an overwhelming 61.7 per cent share of the vote.

But that figure masks the real level of support for the Democratic Unionists, who did not contest the seat in 1979. The increasingly ambiguous position of the Rev Robert Bradford, who held the seat until he was murdered by IRA gunmen last November, has enabled both parties to claim the right of succession.

In selecting the Rev Martin Smyth, the 50-year-old grand master of the Orange Order, as its candidate, the OUP has deliberately pulled out its biggest gun for what may be its last stand.

"If Paisley can win South Belfast against Martin Smyth, he can abliterate us in any contest before the end of the year," says a despondent official of the OUP.

Mr Smyth's political views are not noticably less extreme than Mr Paisley's. He stands firmly for a return to majority rule in Ulster and against any sort of deal with Irish nationalists in the North or the South.

But he speaks more softly and less provocatively. Should he win the seat he would probably be the establishment candidate to take over the party leadership in what is now regarded as an inevitable contest.

But his success might postpone the crisis for many months. While strongly supporting the present leader, Mr James Molyneaux, he recognises that the party machine is crumbling and hopes to rebuild it, broadening its appeal.

Mr Smyth's real opponent today is Mr Paisley himself, and in choosing the Rev McCrea, 33, as its candidate, the DUP has not tried to pretend otherwise.

Widely known as a best selling gospel singer, less well known as a commander in Mr Paisley's "third force," he appears pleasant, unassuming and politically lightweight.

But he is supported by a confident, aggressive party machine that contrasts sharply with the dispirited men at OUP headquarters. And he has been closely accompanied during the past week by Mr Paisley in his most robust back-slapping mood, jovially calling on voters to "support the wee man."

Mr McCrea and Mr Smyth are generally regarded as the only contenders in what promises to be a close result. But the Alliance Party, the moderate face of Unionism, believes it is in with a chance following its 25 per cent vote in the 1979 election.

Its candidate is Mr David Cook, a 38-year-old Cambridge educated lawyer and a popular former lord mayor, who hopes to recover ground lost in the 1981 local government elections.

Sustained by his training for the Belfast marathon, Mr Cook has run from door to door throughout the constituency in the past three weeks, hoping to pull in votes from Catholics and Protestants alike.

In particular he is hoping to win support away from Dr Alisdair McDonnell of the Social Democratic and Labour Party, a 31-year-old GP who has been campaigning mainly in the working clas Catholic areas.

The other candidates—Mr John MacMichael of the Ulster Defence Association, Mr Brian Caul of the United Labour Party and Mr Jagat Narain of the One Human Family—are not expected to poll significantly, though Mr MacMichael could take crucial votes away from Mr McCrea.

The closeness of the contest inevitably brings other factors into play. The Kincora children's home sex scandal, whose full impact is yet to be felt, could lower the Loyalist turnout. The IRA's attempted assassination on Tuesday of Lord Lowry, the Lord Chief Justice, may on the other band, swing votes towards the DUP.

At this stage, Mr Smyth is still felt to have a slight edge. But to some within his party, even victory is a form of defeat, merely propping up what they see as a rotting structure which must collapse before the process of regeneration can begin.

General election: Rev R. S. Bradford (OUP) 30,116; JBC Glass (Alliance) 11,715; S. R. McMaster (Unionist) 4,982; B. J. Carragher (SDLP) 3,390; J. E. Holmes (N.I. Lab.) 1,643. Majority 18,401.

TECHNOLOGY

EDITED BY ALAN CANE

UMIST hails synthetic oil manufacture breakthrough

BY NICK GARNETT, NORTHERN CORRESPONDENT

COST EFFICIENCY is the name of the game in manufacturing synthetic fuel. There are all kinds of ways of making fuel but if it is more expensive to do that than it is to extract natural energy resources from the earth then the theory might as well remain in the textbook.

That is why UMIST (University of Manchester Institute of Science and Technology) is claiming a major breakthrough in the production of synthetic crude oil.

Its pilot reactor which converts refuse into oil has been operating for almost six months. The result of these tests and an analysis of the costs of constructing a commercial plant using the same process has led the two scientists most closely associated with the project to claim some spectacular figures.

One of these is that the technique should be able to produce crude oil commercially at about $15 a barrel—half the current price of natural crude.

Calorific value

The tests also indicate that the method is not beset by two further problems which have dogged some other synthetic fuel production techniques.

The quality of the crude is high and there are as yet no signs of any corrosive effects on the reactor.

The two inventors of the technique—Dr Noel McAuliffe and Mr Roger Benn, both at UMIST—were not impressed by two already-tried methods.

One is "pyrolysis," which is to be utilised in the West Midlands in the world's first commercial scale plant to produce oil, solid fuel and scrap steel from used tyres.

McAuliffe argues that tests on this method have tended to produce oil of low calorific value and the pilot plants have been seriously affected by corrosion. One Conoco plant in San Diego had to be shut down after 18 months for just this reason.

The other method is fermentation of cellulosic material to obtain alcohol. The biggest commercial venture using this is Brazil's production of alcohol fuel.

"We feel fermentation is not the right technology," McAuliffe says. "It is a slow process, needs very large storage facilities and produces fuel of low calorific value."

Both McAuliffe and Benn believe that at the end of the day Brazil will have travelled down a cul-de-sac with its alcohol plants.

The McAuliffe-Benn method is based on reacting cellulose—basically vegetable matter and paper in refuse—with hydrogen. It uses heat and pressure, a metallic catalyst and a processing liquid.

The processing technique is similar to the Lurgie model which was used by the Germans to produce synthetic fuel in the last war and is in effect utilised by the South Africans in the Sasol coal-to-oil plants.

UMIST points to five cost factors which it says gives its technique major advantages over other processes.

● The garbage feedstock would effectively be supplied at nil cost. Local authorities already have to collect and process refuse. Big conurbations such as Manchester have treatment plants which would need relatively modest modifications to produce feedstock suitable for the reactor.

This consumes cellulosic material but it can also handle certain small pieces of plastic and textiles and other small elements of inert matter. It probably needs the latter as an absorbent of potentially corrosive gas.

Greater Manchester metropolitan county, which has been funding the programme, has earmarked £150,000 to introduce some fine tuning to its garbage processing plant at Radcliffe to make the processed refuse even more suitable for the reactor.

Such plants as Radcliffe though already separate out much of the material—largely metallic—which the UMIST process cannot absorb.

The most commercially cost effective plants using the process would have a capacity of 500 to 2,000 tonnes of garbage a day. Greater Manchester produces about 3,000 to 4,000 tonnes of refuse daily of which two thirds is cellulosic.

Ten tonnes of feedstock gives 26 barrels (3.7 tonnes) of high quality sulphur-free crude.

Bigger plant

● A main worry on costing was the hydrogenation process. Hydrogen is very expensive. The most pessimistic view was that the technique would require a very significant and constant injection of hydrogen—as much as seven molecules of hydrogen to react with each sugar unit in cellulose.

As it turned out the most optimistic view has been borne out. The process needs no input of hydrogen. All it uses is generated within the plant itself by water gas reaction.

● The longer it takes to convert cellulose into oil, the bigger a commercial plant needs to be. That spells higher construction costs and greater expenditure on powering it.

The UMIST team claims some dramatic conversion times. McAuliffe believes the process of transforming refuse to oil might take as little as two minutes. Others suggest about 10 minutes. The scientists are not fully sure about these times but the speed of conversion is very rapid.

● The technical design and building of the pilot reactor—carried out under the leadership of research assistant Stephen Spruce—has taken little more than two years instead of the originally-estimated five.

No corrosion

Both UMIST and the Salford University Industrial Centre (SUIC)—through which Greater Manchester's funding has been channelled and which has itself carried out some of the engineering work—believe there should be no significant problems in scaling up the UMIST plant to the size of a full commercial venture.

The estimated £20m building cost of a 1,000 tonnes a day plant includes the start of net repayments after five years.

● The process appears to generate no by-products which are awkward to handle. The main by-products are water and carbon dioxide which is simply recycled and can be released safely into the air.

Strips down of the reactor have as yet shown no signs of corrosion. There is one element of concern here though. The decomposition of PVC—a substance inevitably found in all garbage—can result in the emmission of hydrogen chloride acid gas which is corrosive.

So far there has been no evidence of this gas and the UMIST team believes that the small amount of inert material fed into the reactor must be absorbing and therefore neutralising this.

That is one area for major testing though as UMIST, SUIC and Greater Manchester get on with the job of attracting a contractor to assist in the design of and then actually build a commercial-sized refuse to oil plant. Petro-chemical plant constructors are already showing signs of interest in doing that.

Dr Noel McAuliffe (left) and Mr Roger Benn in the UMIST laboratory

Reliable docket printer

BY REDUCING moving parts to an absolute minimum, Control Systems of Uxbridge has been able to design a docket printer that will operate reliably over long periods under adverse environmental conditions.

Called AF3, the unit can be interfaced with any microprocessor system having ASCII output and will provide the docketing for such on-line systems as process monitoring, automatic quality control, measuring and weighing processes, warehousing and stores control.

Inking is by means of a sintered nylon roller, eliminating the problems of ribbons. But in addition, the twin 7 x 5 dot matrix printheads remain static and the paper stock is rolled past them, allowing printing to be speeded up. Speeds up to 60 characters/sec are achieved, and the machine can print on card up to 0.203mm thick.

The company says it has had five machines on a year's trial at a major tyre moulding plant. Each has printed more than 1,000 dockets a day, without maintenance. More on 0895 51255.

Drum memory from Vermont

PRICED AT under £3,000 and able to store over 10 megabytes of data, a new drum memory from Vermont Research of Leatherhead, the model 6064, has been designed to withstand shock, vibration, extremes of temperature and dust contamination.

Although developed primarily for Vermont's traditional markets—telecommunications, process control, scientific research—the system is also expected to find applications in industry where "a faster, more reliable alternative to Winchester drives," especially in adverse working environments" is called for.

With a track switch time of only ten microseconds and single cylinder seek time of 8.3 milliseconds, the model 6064 gives users a medium capacity, mass memory option with high performance characteristics—approaching those of fixed head devices—in a low cost, compact unit no bigger than two eight inch disc drives. More on 0372 376221.

Measuring

THREE height and depth measuring instruments, the Match Height with digital read-out and resolution down to 0.0002 in (0.005 mm), the battery powered Tesa Memo-Hite and Tesa Micro-Hite with a micro-processor, have been introduced by Matchless Machines of Horsham, West Sussex. Details on 0403 60271.

Granulating

A RANGE of granulating machines to reclaim plastics moulding waste in a continuous operation is offered by Accrapak Systems of Risley, Warrington. The Series 400 Metergran machines have cutting chamber sizes of 200 x 200 mm, 200 x 300 and 200 x 400 mm. More on 092576 4994.

Cricket without apartheid problems

BY MAX COMMANDER

IF you look at the accompanying picture you might think that the circular discs mounted on the tripod are something to do with a lighting system.

Not a bit of it. The device is the great American contribution to cricket.

Do I hear hollow laughter from Old Trafford, Edgbaston and Lords?

Bouncers

It's the tripod-mounted all purpose bowler. Apparently, it was originally designed to teach basketball players to catch, but is now available in the UK to teach up and coming batsmen how to bat.

It can be used at almost any length, but assuming it is set up at the statutory 22 yards, it will fire ordinary cricket balls, or specially manufactured polypropene ones, at the batsman in all sorts of guises.

The discs, in fact these are rubber wheels, are contra-rotating and the cricket ball is fed between them. By the use of two dials the machine will bowl bouncers up to 100 mph. Swing can be programmed, as can off or leg breaks.

"It can even manage googlies," said Mr D. R. R. Sutcliffe of the Yorkshire company marketing the product in the UK, but I had my doubts about that claim.

The company says that it is easily set up by one man, fits into the average car boot and can be used equally well on the square, in the nets or indoors.

There is one slight problem: if you use it on the square, because it's electrically operated, a rather long electrical cable will be needed.

The machine is known as the Recticel Sutcliffe Jugs (that's the U.S. bit) Cricket Machine. Deliveries can be duplicated, or to simulate individually the action of the human bowler's arm. With an automatic feed it can bowl up to 600 balls an hour—and it doesn't need to be taken off for a rest.

Redundant

Mr Sutcliffe (no relation to the late Sir Herbert) says it costs £850 plus VAT. That's a lot of money at club level, but he hopes that, perhaps, several clubs could get together, buy one jointly and use it on a rota basis on those long summer practice evenings.

It could make Willis, Botham and Underwood redundant.

It's described as "the cricket coach's dream machine" and can deliver bouncers at the speed of a Lindwall or a Willis. It also costs £850, but share-a-machine might be an idea for smaller clubs

What's next? Well I suppose an auto-Boycott, programmed for on or off and flashing cover drives and a delicate leg glance. The time might not to be too far away when the MCC selects a machine to tour India.

If you want one the company is Recticel Sutcliffe, Church Street, Ossett, West Yorkshire (0924 275151).

BUSINESS LAW

The settling of disputes

By A. H. HERMANN, Legal Correspondent

"HOW DO we live in a complex, modern society without actually getting lynched?" asked Lord Justice Donaldson, and then proceeded to reassure his audience that one can avoid lynching, and, indeed, exist in a civilised way as long as the unavoidable disputes can be resolved quickly, cheaply, and satisfactorily.

"The answer, I think, lies in the fact," he continued, "that with the notable exception of some aspects of industrial relations, we do, in fact, have some very effective methods of settling disputes, whether they arise between citizen and citizen or between the citizen and the state."

These remarks were made during the Alexander Lecture which Sir John Donaldson delivered to the Chartered Institute of Arbitrators last week.

It seems that the high cost and slow pace of litigation, and of the more legalistic branches of arbitration, is providing a vast opportunity for the mushrooming of other less formal, quicker, and cheaper methods of settling disputes. The Institute of Arbitrators helps to provide a service which in other countries is provided by lower commercial courts manned by lay judges, as in France, or a carrier judge assisted by two businessmen, as in Germany. There may be some advantage to the taxpayer in the English method.

There now exists a great variety of arrangements for resolving disputes by the introduction of a third party who, unlike judges and arbitrators, has no power to decide and is there merely to help reach an agreement. The conciliators and mediators achieve results in various ways; sometimes they only keep the ball in play long enough for both parties to get bored with the dispute. Those who do not have the patience to sit it out "peel the onion," stripping away the charges and counter-charges one-by-one, persuading the parties of their irrelevance, striving for a residuum which can be easily settled.

Such are the methods often used by the Advisory, Conciliation and Arbitration Service (ACAS) which, in 1980, the last year for which statistics are available, conciliated nearly 46,000 cases, concerning unfair dismissal, equal pay, redundancy, sex discrimination and race relations. In addition, they provided conciliation services in some 2,000 collective disputes.

A more or less informal settlement of disputes is now provided by some 55 different types of tribunal which dispose of nearly 300,000 cases a year—about six times as many as are dealt with by the civil courts. Moreover, a number of trades were persuaded by the Office of Fair Trading to adopt codes of practice which provide for arbitration schemes in which the Office of Fair Trading cooperates with the Institute of Arbitrators. On request, this institute also appoints commissioners for numerous inquiries which, if not in theory, at least in fact, often serve for the resolution of disputes.

Turning to the courts in their civil jurisdiction, Sir John painted a rosy picture. The High Court, sitting in London and regional centres, deals with disputes involving larger amounts. The local courts are intended to provide the same quality of justice on a conveniently local basis. The more specialised courts, however, are all in the High Court in London: the Admiralty Court, the Commercial Court, the Companies Court and the Patents Court. The Divisional Court of the Queen's Bench is, like the administrative courts of continental Europe, designed to protect the citizen against authority, local or national government, tribunals, arbitrators and inferior courts.

If a citizen feels oppressed and has no other remedy, all he has to do is to go to the Crown Office of the court and explain the facts fairly and clearly. He does not need to know the law, and will be helped as much as possible.

The costs and delays of litigation have led not only to the mushrooming of alternative institutions but also to a bypassing of procedural rules by judges acting as arbitrators. In the County Court claims for under £500 are automatically referred to the arbitration of the County Court Registrar. Legal representation is discouraged to the extent that solicitors' costs will not normally be allowed. The strict rules of evidence do not apply. This informal approach to small claims, introduced in 1977, was tried earlier in the National Industrial Relations Court but the first steps towards reducing formalism were already made at the end of the last century by the creation of the Commercial Court.

The Commercial Court has for years been different from other courts, in that it provides a service for world commerce rather than for local litigants. The most recent innovation allows the judges of the Commercial Court to serve as sole arbitrators or umpires. This is more expensive than litigation as the parties have to pay the Treasury for the services of the judge and, though the judges do not wear wigs on this occasion, the difference in procedure will not be very great. The advantage, important for some parties, is that they can avoid publicity as the arbitrations are held in private.

English arbitration is one of the success stories of the post-war years, but one often hears complaints that it can easily be turned into litigation. The 1978 Act removed this danger only partly. An attempt is sometimes made to avoid judicial review by appointing a third party to decide a dispute as an expert and not as an arbitrator. Although this ensures that the Arbitration Acts do not apply, a dissatisfied party may sue the expert for negligence. It seems safer to be an arbitrator than an expert.

There seems to be provisions for the resolution of all sorts of disputes, except the most important industrial disputes. The reason for this, according to Sir John, lies in decisions taken a little over a century ago when Parliament decided not to create rights and obligations in this field but instead to try to balance the might of the opposing factions. Since then extensive rights had been created for individual workers and some for trade unions but the right to use "might" had been studiously maintained.

This approach to industrial disputes was painful, costly, and could ultimately prove fatal. In Sir John's view such self help, based on might, should be banned whenever the courts, tribunals, or arbitrators can provide a remedy. The common trade union grievances should be identified and unions should be given the right to enforce them in courts or tribunals. The expansion of the area where industrial disputes can be settled like any other would bring with it a gradual contraction of the area dominated by industrial and political muscle.

TELEVISION

Chris Dunkley: Tonight's Choice

Most of the worthwhile programmes tonight start at 8.00 pm. On Radio 3 Michael Howard, Regius Professor of Modern History at Oxford, gives the first of three lectures marking the bicentenary of the Foreign and Commonwealth Office. These have been organised by Chatham House under its director David Watt, late of this newspaper, who gives next week's lecture himself. Lord Carrington will give the third. Tonight's is called The Making of British Foreign Policy 1782-1982.

By way of variety BBC 1 simultaneously offers Sid Snot, Gizzard Puke and all the other inventively loathsome characters who inhabit The Kenny Everett Television Show and Radio 4 broadcasts a live concert by The Oslo Philharmonic Orchestra from Southampton, featuring music from Peer Gynt, Rakhmaninov's Rhapsody on a Theme by Paganini and Sibelius's Symphony No 1.

Forty Minutes on BBC 2 looks at the growing business of saving, restoring and re-selling bits of old buildings, in particular the activities of Londoner Nick Mead. A porch from a house in Beckenham which crossed the Atlantic to become a garden pavilion and a conservatory which turned into a human cage in a restaurant both feature in the programme.

BBC 1

6.40-7.30 am Open University (uhf only). 9.05 For Schools, Colleges. 12.30 pm News After Noon. 1.00 Pebble Mill at One. 1.45 King Rollo. 1.50 Bric-a-Brac. 2.00 You and Me. 2.15-3.00 For Schools, Colleges. 3.15 Holiday with Cliff Michelmore. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Pixie and Dixie. 4.25 Jackanory. 4.40 Huckleberry Finn and his Friends. 5.05 John Craven's Newsround. 5.10 Blue Peter.

5.40 News.
6.00 Regional News Magazines.
6.25 Nationwide.
6.55 Tomorrow's World.
7.20 Top of the Pops: A live presentation with David "Kid" Jensen.
8.00 The Kenny Everett Television Show.
8.30 Goodbye Mr Kent starring Richard Briers and Hannah Gordon.
9.00 Party Political Broadcast by the Liberal Party.
9.05 News.
9.30 Shoestring starring Trevor Eve.
10.25 Question Time with Robin Day.
11.23 News Headlines.
11.25 Perry Como's Bahamas Holiday with guests Loretta Swit, Captain and Tennille.

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
3.55 pm Muggeridge: Ancient and Modern.
4.50 Caught in Time.
5.10 Charles Rennie Mackintosh.
†5.40 Laurel and Hardy in "Their First Mistake."
6.00 All Creatures Great and Small.
6.55 County Hall.
7.20 News Summary.
7.25 History on Your Doorstep.
7.50 The Shogun Inheritance.
8.30 Russell Harty.
9.00 Call my Bluff.
9.30 Forty Minutes.
10.10 Kyung-Wha Chung Plays Bach.
10.45 Party Political Broadcast by the Liberal Party.
10.50 Newsnight.
11.30-12.15 am The Old Grey Whistle Test.

LONDON

9.30 am Schools Programmes. 12.00 The Woofits. 12.10 pm Get up and Go! 12.30 The Sullivans. 1.00 News plus FT Index. 1.20 Thames News with Robin Houston. 1.30 Take the High Road. 2.00 After Noon Plus, presented by Judith Chalmers and Trevor Hyett. 2.45 International Snooker. 4.15 Dr Snuggles. 4.20 Little House on the Prairie. 5.15 Emmerdale Farm.

5.45 News.
6.00 Thames News
6.30 Thames Sport: Allan Taylor and Simon Reed reflect the sporting scene at home and abroad.
7.00 Does the Team Think? Tim Brooke-Taylor is the chairman and the panel consists of Beryl Reid, Jimmy Edwards, Frankie Howerd and William Rushton.
7.30 Rising Damp.
8.00 Falcon Crest, starring Jane Wyman.
9.00 Shelley, starring Hywel Bennett.
9.30 TV Eye.
10.00 Party Political Broadcast by the Liberal Party.
10.05 News.
10.35 International Snooker.
12.00 What the Papers Say.
12.15 am: Close: "Sit up and Listen," with Wynford Vaughan Thomas.

†Indicates programme in black and white

All IBA Regions as London except at the following times:

ANGLIA

1.20 pm Anglia News. 2.00 Not For Women Only. 4.20 Vicky the Viking. 4.45 The Adventures of Black Beauty. 6.00 About Anglia. 6.20 Arena. 6.35 Crossroads. 7.00 Benson. 10.35 North Sea Saga. 11.20 International Snooker. 12.00 Marie Gordon-Price in Concert. 12.30 am The Living Word.

BORDER

1.20 pm Border News. 5.15 University Challenge. 6.00 Lookaround Thursday. 6.35 Crossroads. 7.00 Emmerdale Farm. 12.05 am Border News Summary.

CENTRAL

12.30 pm The Young Doctors. 1.20 Central News. 4.20 Sport Billy. 4.45 Jason of Star Command. 5.15 Here's Boomer. 6.00 Crossroads. 6.25 Central News. 7.00 Emmerdale Farm. 7.30 England Their England. 12.00 Central News.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where and Weather. 5.20 Crossroads. 6.00 Channel Report, followed by What's On Where. 6.40 On the Water. 7.00 Benson. 10.00 Life in France. 10.33 Channel Late News. 12.00 News and Weather in French.

GRAMPIAN

1.20 pm North News. 4.20 The Flying Kiwi. 4.50 Sport Billy. 6.00 North Tonight. 6.35 Crossroads. 7.00 It's George. 12.00 Seachd Laithean—Angus Peter Campbell presents the week's news in Gaelic. 12.15 North Headlines.

GRANADA

1.20 pm Granada Reports. 1.30 Exchange Flags. 2.00 Take the High Road. 2.30 Yesterday. 4.20 Here's Boomer. 4.50 Voyage to the Bottom of the Sea. 6.00 This Is Your Right. 6.05 Crossroads. 6.30 Granada Reports. 7.00 Emmerdale Farm.

HTV

1.20 pm HTV News. 4.20 Palmerstown U.S.A. 5.10 Jobline. 5.20 Crossroads. 6.00 HTV News. 6.30 The Cuckoo Waltz. 7.00 Emmerdale Farm. 10.33 HTV News.

HTV Cymru/Wales—As HTV West except: 11.22-11.37 am Am Gymru. 12.00-12.20 pm Mwstr. 4.15 Fanfare for Young Musicians. 4.45 Sêr. 5.10-5.20 The Undersea Adventures of Captain Nemo. 6.00 Y Dydd. 6.15 Report Wales. 6.30-7.00 Sports Aerena.

SCOTTISH

1.20 pm Scottish News. 1.30 Bygones. 4.20 Palmerstown U.S.A. 5.10 Tales of Crime. 5.20 Crossroads. 6.00 Scotland Today. 6.20 Bodyline. 6.30 Now You See It. 7.00 Take the High Road. 12.00 Seachd Laithean. 12.15 am Late Call.

TSW

1.20 pm TSW News Headlines. 5.15 Gus Honeybun's Magic Birthdays. 5.20 Crossroads. 6.00 Today South West. 6.30 Tele Views. 6.40 On the Water. 7.00 Benson. 10.37 TSW Late News. 12.05 am Postscript. 12.10 South West Weather and Shipping Forecast.

TVS

1.20 pm TVS News. 2.00 Not for Women Only. 5.15 Radio. 5.30 Coast to Coast. 5.45 News at 5.45. 6.00 Coast to Coast (continued). 6.35 Crossroads. 7.00 Emmerdale Farm. 12.00 Company.

TYNE TEES

9.20 am The Good Word. 9.25 North East News. 1.20 pm North East News and Lookaround. 4.20 The Lone Ranger. 4.50 Voyage to the Bottom of the Sea. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 10.35 North East News. 12.00 Job Slot Extra. 12.05 am Being With God.

ULSTER

1.20 pm Lunchtime. 4.13 Ulster News. 4.20 Here's Boomer. 4.45 Schools Challenge. 5.15 Radio. 5.30 Good Evening Ulster. 6.00 Good Evening Ulster. 6.25 Police Six. 6.35 Crossroads. 7.00 Emmerdale Farm. 10.34 Ulster Weather. 12.00 News at Bedtime.

YORKSHIRE

1.20 pm Calendar News. 4.20 Sport Billy. 4.45 Little House on the Prairie. 6.00 Calendar (Emley Moor and Belmont editions). 6.35 Crossroads. 7.00 Emmerdale Farm.

RADIO

(S) Stereophonic broadcast

RADIO 1

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.30 Dave Lee Travis. 2.00 pm Paul Burnett. 3.30 Steve Wright. 5.00 Andy Peebles. 7.00 The Record Producers. 8.00 David Jensen. 10.00-12.00 John Peel (S).

RADIO 2

5.00 am Ray Moore (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 Gloria Hunniford (S). 2.00 pm Ed Stewart (S). 4.00 David Hamilton (S). 5.45 News; Sport. 6.00 Jan Leeming (S). 8.00 Country Club with Wally Wyton (S). 9.00 Alan Dell with the Big Band Sound (S). 9.55 Sports Desk. 10.00 Know Your Place. 10.30 Star Sound Extra with Nick Jackson. 11.00 Brian Matthew with Round Midnight. 1.00 am Truckers' Hour (S). 2.00-5.00 You and the Night and the Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued). 9.00 News. 9.05 This Week's Composer: Beethoven (S). 10.00 Virtuoso Piano Music (S). 10.40 Bach Violin Sonatas (S). 11.10 St David's Music Week (S). 1.00 pm News. 1.05 Bristol Lunchtime Concert (S). 2.00 "Les Pecheurs de Perles," opera in three acts by Bizet (sung in French). 4.05 Music for Cello and Piano (S). 4.55 News. 5.00 Mainly for Pleasure (S). 7.00 Schostakovich Chamber Music (S). 8.00 The Making of British Foreign Policy 1782-1982. 9.00 BBC Northern Symphony Orchestra (S). 10.20 Of the Levitation at St Michael's by Carey Harrison (S). 11.00 News. 11.05-11.15 Carnival of Flowers: Hans Werner Henze (S).

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 8.33 Yesterday in Parliament. 8.57 Weather; travel. 9.00 News. 9.05 Checkpoint. 9.30 The Living World ... and Beyond? 10.00 News. 10.02 Town Hall Rules OK? 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 File on 4. 11.50 Enquire Within. 12.00 News. 12.02 pm You and Yours. 12.27 Brain of Britain 1982 (S). 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Women's Hour. 3.00 News. 3.02 Afternoon Theatre (S). 4.00 Home Base. 4.15 Bookshelf. 4.45 Story Time. 5.00 PM: News magazine. 5.50 Shipping Forecast. 5.55 Weather; programme news. 6.00 News, including Financial Report. 6.30 Any Answers? 6.54 It's a Bargain. 7.00 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 Kaleidoscope. 8.00 Oslo Philharmonic Orchestra concert, Part 1: Grieg, Rachmaninov (S). 8.50 Of Ships and Sealing-wax. . . . Textiles and Pigs. 9.10 Concert, Part 2: Sibelius (S). 9.59 Weather. 10.00 The World Tonight. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

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BY JENNY DAVIES

"WOULD YOU be interested, then, in personnel work? I . . . er . . . expect that you can do a *bit of typing?*"

The question came from the foreman on the building site next to my house. He'd explained that his wife was currently recruiting secretarial staff for a large company, and so it was clear that he was delicately offering me the chance of a job.

The offer filled me with shame. *For I had told* him a lie in saying in previous conversations that I'd been made redundant. The truth is that I accepted "premature retirement" — I jumped at it, in fact, at the earliest opportunity.

When I did so, it seemed the natural thing to do. For nearly 30 years — the last half of them in the public sector — I had enjoyed working. Whenever I *ceased to enjoy a job I found* another more congenial, on the perhaps arrogant assumption that unless you are satisfied by your work for at least 70 per *cent of the time, the onus is on* you to move.

But the last time all job-satisfaction deserted me, I had not the courage just to move to another job, giving up my existing steady, well paid post with an inflation-proofed pension at the end of it. Early retirement, on the other hand, meant that I would have a secure if much reduced income while being free to search for something congenial to do.

Anyone able to retire at 50 these days must feel a twinge of guilt when looking at people of the same age who still desperately need a job. But if you decide to take early retirement, do not expect your col*leagues to show genuine* pleasure and envy. Most of them receive the news with an uncertain Oh, while obviously thinking either: "I didn't know she was that old," or "She can't be much good or they wouldn't let her go."

A betrayal

Redundancy is a socially acceptable misfortune. Early retirement seems to be seen as a letting down of the side, an admission that you were not a *committed worker.* It is something which the middle-class Protestant work ethic is not designed to cope with.

We all know that good old *Ted who has been indispensable* for 40 years, will be forgotten a week after his conventional retirement party, although common decency forbids our saying so. But *to my more ambitious* colleagues I became an instant non-person when my unconventional plan became public — a very eerie experience.

Anyone thinking of doing the same after years of working in large organisations would do well to realise how dependent that makes you. *Your estimation* of your competence rises in line with your progress on the internal career escalator. The question of what market there might be for your abilities outside, tends not to occur. So *initial excitement at being free* to do my own thing soon gave *way to severe self-doubt.*

What was I really capable of? Had I been in the right job all those years? Should I — could I — change direction?

It was fortunate that I had acted on someone's advice to go and seek vocational guidance while I was still in the job. The guidance, being dispassionate, was very useful when weighed against the passionate advice of friends who suggested occupations ranging from quilt-making *to joining an independent radio* consortium.

The vocational adviser was encouraging but realistic. When I said that the biggest worry looming in my institutionalised mind was that deprived of regular routine I might go to pieces, the adviser asked what I'd do if that began to happen. *Would I seek professional* counselling?

"Good heavens no," I said. "I'd get blind drunk and ring up a friend."

The adviser's concerned expression dissolved into a happy smile. "In that case," came the reply, "you have *nothing to worry about.*"

But the discipline of having to turn up at the office and the habit of looking at everything as potential grist to the professional mill had become part of the fabric of my life. Much as I looked forward to retiring, my first need seemed to be some *sort of external discipline:* demands from outside so that the weeks would retain some shape and purpose.

Overextended

My reaction was to over-extend myself. I took on a *financial commitment to replan* the garden, joined too many adult education classes, and told too many local charities that my time was available. The first weeks were taken up to an unexpected degree in dealing, without benefit of a secretary, with officialdom. There were the complications of revised tax codes, insurance, social security and unemployment benefit, in addition to the catching-up on farewell meetings with ex-colleagues. But I would recommend a busy first few weeks in preference to the alternative of going on holiday.

Since then, far from disintegrating, I have been continually wondering where all the leisure hours have gone to.

The answer is, I suppose, that I do things at a more leisurely pace *conscious that for me time* is no longer money. I spend more time in reading the daily paper, not limiting myself to just the "relevant" bits. Released from the tyranny of an appointments book, I spend more time and ingenuity in travelling from A to B and in civil conversation with casual contacts. But the basic reason, I've concluded, is that Parkinson's Law of Work applies also to leisure which in my case has definitely expanded to fill the time available. Discipline is now required to see that objectives are met.

For a while, however, I still felt the shock of meeting widespread social disapproval. Friends reported, with some bewilderment, that their colleagues exhibited pity for my plight.

Enlightenment finally dawned on me during an evening class on social anthropology. There I encountered role theory — to the effect that other people's expectations and your own responses are governed by the role you assume within society. For years mine had been that of a respectable, monthly salaried, middle-class professional person.

Unconsciously I had been preparing for a change of role. I had given a lot of thought to converting a room into a proper study. To save money I'd bought a bicycle (ignoring unsolicited calculations about the amount of cycling needed to equate with £100 worth of petrol). My style of dress was becoming less formal. Even when still wondering whether to retire my instinct had been away from colleagues and towards friends who were self-employed, unemployed, students or just plain layabouts: which was psychologically right.

They were the ones who most eargerly welcomed my defection from the salariat. It was they who eased me out of the nine-to-five approach to life.

So *what of the future?* I believe that nobody should accept early retirement without some definite, if undetailed, plan for the future. I shall become a mature student. In doing so I shall probably displace from the higher education system a younger candidate for the eventual status of a unit of Highly Qualified Manpower — which gives me moments of doubt about the morality of my decision to take a degree.

But with luck I shall myself again become a unit of HQM, although of a different sort. And as Hegel comfortingly remarked: "Only as twilight falls does the owl of Minerva spread her wings."

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In addition to normal financial and management accounting responsibilities, the Financial Controller will have extensive involvement in planning, setting up and monitoring joint-ventures and associated companies in various European locations.

Candidates should be qualified accountants in the 25-35 age range, experienced in the complexities of accounting for international operations and, in particular, familiar with American requirements. Experience of computer software companies would be an advantage. A flexible approach, combining initiative with sound judgement, is a necessity.

Please send a comprehensive career résumé, including salary history, quoting reference: 2049, to G.J. Perkins.

Touche Ross & Co. Management Consultants
Hill House, 1 Little New Street, London EC4A 3TR
Tel: 01-353 8011
A member of the Management Consultants Association

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Business General Managers

c.£15,000 + car

This international group, principally chemical manufacturers, is actively pursuing a policy of diversification, mainly through acquisitions, at home and abroad. To control and develop these ventures into manufacturing and service industries, they require commercial, creative leaders eager to turn an opportunity into a major profit contributor. Candidates for these new positions will be under 35, possibly bi-lingual graduates, who have a flawless and progressive career record which need not necessarily have been in chemicals or manufacturing. They will probably have had a grounding in a major marketing orientated group, and have proved their ability to operate positively and independently in a dynamic environment.

R.D. Howgate, Ref: 37326/FT. Male or female candidates should telephone in confidence for a Personal History Form 061-236 8981, Sun Life House, 3 Charlotte Street, MANCHESTER, M1 4HB.

Robert Fleming

Corporate Finance Executive

We are a leading City merchant bank whose corporate finance business has expanded rapidly in the past few years, and we act for a wide range of quoted and unquoted companies in the UK and overseas.

You will be an additional member of a close-knit management team whose work involves advising clients on acquisitions, mergers, rights issues and flotations. You will have contact with client companies at a senior *management level and there is ample scope for career progression.*

You should be a graduate chartered accountant in your mid-twenties with one of the leading international accounting firms. Experience of investigation work would be a definite advantage.

We offer an attractive remuneration package, and benefits will include mortgage assistance in due course. There will be opportunities for overseas travel.

Please write in confidence, with curriculum vitae, to:
Tom Phillips, Robert Fleming & Co. Limited,
8 Crosby Square, London EC3A 6AN. Tel: 01-638 5858.

Henderson Baring Management Ltd.

Fund Management

London Age – 23/27

Henderson Baring Management Ltd. are looking for an Assistant Fund Manager to work, as part of a small team, in their London office. Substantial funds invested in Far *Eastern markets are currently managed through offices in London, Hong Kong and* Tokyo.

The person they seek will almost certainly be a graduate, have a minimum of two years' experience in investment and work for an investment house or major stockbroker. He/she will combine an analytical background and the ability to communicate, with a real enthusiasm for the investment business. Experience of Far Eastern markets would be useful, but is not essential.

A generous salary is proposed. Long-term potential is exceptional.

Please contact Colin Barry at Overton, Shirley & Barry (Management Consultants), 2nd Floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP. Tel. 01-353 1884.

Overton Shirley and Barry OSB

Financial Analyst

Evaluating business strategies

The Burmah Group is an oil-based industrial enterprise with major interests in oil exploration and production, lubricants, speciality chemicals, shipping and retailing.

The role of its Group Planning Department, one of a number of specialist headquarters departments co-ordinating the Group's business portfolio, is to advise senior management on all aspects of strategy and major capital investment.

A young Financial Analyst is required for this small, highly professional and well-qualified team whose members' skills lie in a wide range of disciplines.

Your prime responsibility will be the financial appraisal of business strategies with particular emphasis on the economic factors affecting performance. You will also have the opportunity of making a significant contribution to a wide variety of projects, many of which are carried out at the request of members of the main board.

Aged 25 to 35, you must be a qualified Chartered Accountant with a degree or an MBA and a strong background in economics. You must be of an intellectual calibre which will enable you to take a broad interest in the Group's development and to make an effective contribution towards the achievement of the Department's objectives.

The competitive salary will depend on experience and qualifications and will be accompanied by excellent large-company benefits including non-contributory pension scheme and generous assistance with relocation to Wiltshire if needed.

Please send a full CV or ring or write for an application form to Alison Harper, Recruitment Officer, Burmah Oil Trading Limited, Burmah House, Pipers Way, Swindon, Wiltshire SN3 1RE. Tel: 0793 47400.

Burmah

Chief Accountant

Near Heathrow c£15,000+car

For an air freight forwarding company with subsidiaries in Africa, Asia and Europe, and backed by a substantial group. Annual turnover is some £20 million.

Reporting to the Finance Director and working closely with senior management you will be responsible for an accounting department of some 20 staff and for the prompt production of financial and management information. An early priority will be to develop with outside assistance computer-based accounting and management information systems.

You must be a qualified accountant with several years practical commercial experience and the ability to direct and motivate people.

Write in confidence to John Cameron, quoting ref. C037, at 10 Bolt Court, London EC4 (telephone 01-583 3911).

Chetwynd Streets
Management Selection Limited

UNIVERSITY OF WARWICK SCIENCE PARK

Applications are invited for the post of DIRECTOR

The Director will be the chief executive officer of the Science Park Company which is jointly sponsored by the University, the Coventry City Council, the West Midlands County Council and the Warwickshire County Council, and will be responsible to the Science Park Board for its development and promotion. The appointment will be for a period of three years in the first instance. Salary and other conditions will be agreed with the successful candidate.

Further particulars may be obtained from the Academic Registrar, University of Warwick, Coventry CV4 7AL, to whom applications (no forms) should be submitted by 26th March, 1982. Please quote Ref. No.: 30/A/82/M.

QUALIFIED PERSONAL ASSISTANT

Medium-sized firm of City Chartered Accountants Senior Partner (49) requires Personal Assistant who has been qualified for at least a year, having served articles in a medium- or large-sized firm. Should be public school educated, ideally with Oxbridge degree. Starting salary by negotiation but not less than £11,000.

Excellent opportunities for promotion including partnership for the right person.

Please write in the first instance to Nick Holker
Benton & Bowles Recruitment Ltd.
197 Knightsbridge, London SW7

Broad management role in high technology sector for outstanding young accountant . . .

FINANCIAL CONTROLLER

High Wycombe **Circa. £16,000 p.a.+ prestige car, profit share etc.**

Our client, part of a diversified high technology group, markets an extensive range of micro-electronic components (microprocessors, microprocessor support devices, microcomputers etc.) and data processing terminals sourced from some of the world's leading manufacturers. Close attention to customer servicing has ensured growth in this competitive market, and the company is now implementing plans for further expansion and diversification.

Broad involvement is the keynote to this appointment, encompassing overall responsibility for all financial matters, as well as operational areas such as sales order control, inventory management and data processing. There is an emphasis on input to strategic decision making, and the provision of financial advice to the management team.

Applications are invited from qualified accountants, probably graduates, aged in their late 20's or early 30's. A record of achievement and early promotion into line financial management, coupled with commercial awareness and the ability to adapt in a fast moving, growing environment are necessary attributes.

Written applications containing career details should be forwarded, in confidence, to Anthony J. Forsyth. B.Sc. at our London address quoting reference number 3587.

410 Strand FREEPOST London WC2R 0BR.
Tel: 01-836 9501
26 West Nile Street FREEPOST Glasgow G1 2BR.
Tel: 041-226 3101.
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744.

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

Marketing Manager

Life Assurance

Bristol c. £15,000

A leading UK mutual life assurance company is seeking a marketing manager who will play a major role in the expansion of new business which covers the full range of life assurance and pensions contracts.

Responsibilities will cover development and implementation of a marketing strategy with a view to maximising sales opportunities in line with corporate objectives. This will involve market research and planning, new product development and promotion, close liaison with the company's advertising and public relations consultancy, and the dissemination of information to the Branch network.

Applicants, probably graduates aged around 30, will have had a proven record of achievement in marketing, preferably within the field of financial services. A lively yet practical mind and the capacity to put ideas into practice are essential, as is the need to communicate clearly both orally and in writing.

Please reply in confidence giving concise career and personal details and quoting *Ref. ER533/FT to P.J. Williamson, Executive Selection. Replies will be acknowledged* and forwarded to our clients. Please name any companies, on a separate sheet of paper, to which we should not send your application.

AMS
Arthur Young Management Services
Rolls House, 7 Rolls Buildings
Fetter Lane, London EC4A 1NH.

A member of the AMSA Group in Europe and of Arthur Young International

Business Development Representative - Europe

ROYWEST TRUST CORPORATION LIMITED

Due to continued expansion, the ROYWEST TRUST GROUP wishes to engage an experienced Business Development Representative capable of identifying sources of new business in respect of the international financial services offered by the Group.

Applicants should be fluent in English and German with some knowledge of French or Italian. A minimum of five to six years experience in the marketing of Trust, Banking and Investment products will be required.

The post to be filled offers an attractive compensation and benefit package with pension plan, and medical life and salary continuance insurance coverage.

Preliminary interviews will be carried out in Europe and interested applicants should forward a full resumé of education and experience, which will be treated in the strictest confidence, to:

The Vice-President Europe, RoyWest Trust
PO Box 249, St Helier, Jersey, Channel Islands

The RoyWest Group is associated with National Westminster Bank Limited and The Royal Bank of Canada

Internal Audit Assistant

N. M. Rothschild and Sons Limited, requires an additional qualified auditor for the Internal Audit Department which is based at their administrative offices in South London.

Ideally, the successful applicant will be in the age range mid-20s to early 30s. He or she will be a member of a team of 5 which is responsible for undertaking systems reviews both in the UK and overseas.

Experience of auditing computerised systems is essential and all applicants should be an ACA or FCA. Banking experience would be an advantage, but is not considered essential.

Importance is placed on the ability to prepare lucid reports and deal with staff at all levels in the Bank.

The successful applicant may expect to spend up to two months each year on audits overseas.

Remuneration and other employment benefits will be competitive and include a mortgage interest subsidy, a non-contributory pension and participation in a profit-sharing scheme.

Please send a full curriculum vitae to: **The Personnel Director, N. M. Rothschild & Sons Limited, New Court, St. Swithin's Lane, London EC4P 4DU.**

N. M. Rothschild & Sons Limited

BANKING OPPORTUNITIES

CREDIT ANALYST Age: 25-30 to £14,000

A major North American Bank in the City requires a mature and experienced person to fill an interesting and challenging position. Working within the Credit Department, the job involves analysis of the Accounts of a broad base of clients, although specialist skills will be recognised and utilised/developed. The ideal Candidate will be presently employed by a North American Bank and will have benefited from attending a formal Credit Training Course.

ASSISTANT OPERATIONS MANAGER Age: 27-32 c£11,000

Major North American Bank seeks experienced Operations Officer to assume responsibility for all aspects of Paying and Receiving function and to oversee three supervisors in the Securities, General Banking and Bills Departments. The ideal Candidate will have gained experience in the above areas at supervisory level.

The above positions offer excellent career development prospects and full range of benefits including 5% mortgage, travel assistance, BUPA, etc.

Please contact, in confidence, STEPHEN LAWSON

RODAN RECRUITMENT LIMITED
14 DEVONSHIRE SQUARE, EC2 01-377 1199

Divisional Financial Controller

South East London ***Up to £15,000+ Car***

The position is a new one. The primary reason for the appointment is to improve the accounting and financial service to the Managing Directors of the trading divisions of this well known retailer which is engaged in a programme of expansion and acquisition.

Responsibility will be to the Group Financial Controller and to Divisional Managing Directors. The task will be to assist in the formulation of plans and budgets, monitor the results of the divisions, develop statistical and management information and identify opportunities for profit improvement.

A qualified accountant is needed with a successful record in a commercial company. A knowledge of computerised accounts and experience of the retail trade would be useful. Age about 30. Salary negotiable up to £15,000 with a car provided.

For a job description and application form please write in confidence to David Prosser, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY mentioning MCS/3926.

Price Waterhouse Associates

Lending Officer

We are seeking an experienced Multinational Calling Officer for the Scandinavian and Finnish Sector. The duties of this Officer will be to continue to expand the existing marketing programme on Scandinavian and Finnish private sector multinational companies, especially those with operations in the U.S., Latin America and Far East.

It is essential that the Officer should have strong marketing and credit skills. Previous experience in specialised product areas such as international treasury management services, trade finance and foreign subsidiary finance is preferred.

Experience in the Scandinavian sector is not essential, but similar exposure to other geographical sectors will be valid. This role will involve a high degree of travel, and is at Assistant Vice President level.

A competitive salary and benefits are offered.

If you are interested in applying for this position, please send full details to Teresa Andrews, Personnel Officer, at the address below.

MARINE MIDLAND BANK, N.A.
34 Moorgate, London EC2R 6JR

BANKING

SYNDICATIONS MANAGER
£22,000

The London branch of a major international bank seeks a syndications specialist. Preferably in your early to middle 30's, you will have sound experience in the structuring of syndications and all relevent documentation and procedures. It is envisaged that suitable applicants will currently be with a recognised name in this field.

BUSINESS DEVELOPMENT

Our requirements in this area are variable. However, we are particularly interested in hearing from specialists in Scandinavia, Spain and Portugal and the U.K. Language ability is advantageous. Salaries negotiable according to experience.

SPOT DEALERS

Two prestigious names in London currently seek experienced and aggressive spot dealers for their active dealings rooms. A minimum of 3 years experience is required and a proven ability in $ sterling, SFr. or DM will be sought. Salary level is c£25,000, but for the 'right' person this will not be a limiting factor.

LEE HOUSE, LONDON WALL, EC2. 01-606 6771

ROBERT HALF

Bank Recruitment Specialists

MARKETING MANAGER .... £neg.
Senior marketing position with the finance house subsidiary of a major international group. Candidates will have a proven new business track record in equipment leasing and hire purchase. Big ticket leasing experience would be an advantage, but greater emphasis will be placed on the ability to motivate and manage a highly skilled team of Sales Managers.

REGIONAL MANAGER .... to £15,000
Reporting to the above mentioned position, the successful candidate will be responsible for achieving new business sales targets in his/her region by promoting the Rental, Lease and Asset purchase facilities with customers through the group sales division/companies in the UK.

The above appointments with this captive finance house offer an attractive remuneration package including company car, health cover and assistance with removal expenses where appropriate.

Please contact Leslie Squires, FInstSMM

F.X./DEPOSIT DEALERS £10-14,000
Prime bank intends to augment its established dealing-room team by recruiting two accomplished dealers aged in their 20s. In one case, several years' experience in spot/forward exchanges is required. The other candidate may be a deposits specialist.

CORPORATE F.X. ADVISER .... to £12,000
New appointment with a well-established U.S. bank, demanding an appropriately experienced young banker to work alongside the dealers in advising U.K. and international corporations on currency exposure management.

UNIT TRUST ACCOUNTANT .... c. £15,000
Managerial appointment within a merchant bank's unit trust company, requiring a qualified accountant with comprehensive experience in unit trust or investment trust accounting.

AUDITOR .... to £11,000
This post would suit an ambitious young international banker (25-34) with current Audit experience backed by practical knowledge of principal operations areas.

Please contact Ken Anderson

Anderson, Squires
Bank Recruitment Specialists
Regina House, 1-5 Queen Street
London EC4N 1FP

Telephone: 01-248 7421 or 01-248 8876

Anderson, Squires

Managing Director

For Small Private Company near Manchester

Commissioning and co-ordinating from sub-contractors the manufacture of specialised engineering equipment for overseas markets. Experience of international negotiation and knowledge of the construction industry essential.

Apply Box A7773, Financial Times
10 Cannon Street, EC4P 4BY

Top Executives

Our clients find better opportunities. Are you interested?

If your talents are being wasted, or your ambitions thwarted, we can help. Our highly skilled career management counsellors have all been engaged in a Top Management role. They understand your problems. After evaluating your true potential through discussion and analysis, they work with you through all stages of the job search until you find that better opportunity that is just right for you. Most of these better opportunities are never advertised.

We have an acknowledged standing in the employment market and an outstanding track record of success. That's why we're confident that after a preliminary discussion you will appreciate why we are able to offer the special sort of help that you need. So why not ring us today.

MINSTER EXECUTIVE LTD. 28 Bolton Street, London W1Y 8HB. Tel: 01-493 1309/1085

FINANCIAL ACCOUNTANT

City of London Salary negotiable up to £12,000

We are part of the world's leading group of companies marketing raw materials and primary products. We have a vacancy for a qualified Accountant (A.C.C.A. or A.C.M.A.) who wishes to broaden his or her experience in a stimulating but demanding commercial environment.

Reporting to the Chief Accountant the successful candidate *will supervise a small staff and be responsible for the production* of monthly and quarterly accounts. He or she will additionally be expected to take over some of the routine functions of the accounts department and to contribute in establishing and improving systems, methods and procedures. Candidates, male or female and ideally in their mid-20s, should have had some previous exposure to the accounting operations of a multinational company.

Write with full career details to: The Company Secretary, Derby & Co. Ltd., Moor House, London Wall, London EC2Y 5JE, or telephone: 01-638 2876.

ASTLEY & PEARCE LIMITED

ABITRAGE BROKER

We require a person of several years' experience in both forward foreign exchange and deposit markets to co-ordinate the Dollar/Sterling arbitrage operations of our Euro-sterling department.

An excellent remuneration package will be offered.

Please reply in confidence to:

Mr. J. N. M. Cheetham, Director
ASTLEY & PEARCE LIMITED
80, Cannon Street, London, EC4

AGENTS WANTED—Established Company seek self motivated agents of impeccable character. Commission only basis averaging £250-£750 per sale. Send detailed cv in first instance to: Box A.7772, Financial Times, 10, Cannon Street, EC4P 4BY.

WANTED: SLIGHTLY USED EXECUTIVES

If you are an able, experienced executive or professional person, yet somehow are not making the most of your potential, perhaps you need a new approach to your career.

To learn how 'slightly used' executives have profitably renewed their careers, telephone for a free, confidential appointment with a consultant, or send us your c.v.

CHUSID
The Professionals in Career Counselling
London: 01-580 6771 35-37 Fitzroy St. W.1.
Manchester: 061-228 0089 Sunley Building, Piccadilly Plaza.

BANKING AUDITOR

c £11,000 plus car and subsidised mortgage

City based. AIB or ACA with bank audit experience is sought to assist with audit of two UK branches of a European bank. Familiarity with computed auditing techniques desirable.

Write with c.v. to Box A.7774, Financial Times
10 Cannon Street, EC4P 4BY

Investment Analyst
Major Institution

Our client, a leading Institution in the City with funds in many markets, seeks an Analyst of high calibre who wishes to specialize in the Japanese market.

The successful candidate will be a graduate aged 22 to 25 with a sound record of investment research gained over one to three years within a Stockbroker or Institution. Knowledge of the Japanese market would be an asset but proven analytical ability and a keen interest in Japan are more important.

Working closely with the fund managers the position involves taking over responsibility for the coverage of the Japanese market and contributing recommendations towards the management of the fund.

The remunerative package, of salary plus benefits, will be attractive to the right individual.

Please contact Anthony Innes or Stephen Embleton, who will treat all enquiries in the strictest of confidence.

Stephens Associates
International Recruitment Consultants
44 Carter Lane, London EC4V 5BX. 01-236 7307

Deputy Group Pensions Manager

c. £18,000

The Pension Funds of this major U.K. Group cover some 36,000 members and the contributions and investments are growing substantially each year. Due to an internal promotion, there is the need to appoint a Deputy Group Pensions Manager to join the central management team, based in London, which provides services to Divisions throughout the UK and Eire.

Candidates, men or women aged at least 30 years will, ideally, be Fellows or Associates of The Pensions Management Institute and will have at least five years experience of fund management at a senior level. A deep and thorough understanding of statutory requirements and a wide knowledge of modern administration techniques are essential, as is the possession of high level communication skills. Investment experience and an understanding of actuarial concepts would be advantageous.

Salary is negotiable c.a. £18,000 plus car and other benefits.

Please write giving details of age, qualifications, experience and present earnings, quoting Ref. 750/FT. No details will be divulged to clients without prior permission.

CB-Linnell Limited
7 College Street, Nottingham
MANAGEMENT SELECTION CONSULTANTS
NOTTINGHAM - LONDON

ARE YOU FRUSTRATED WITH YOUR JOB AND YOUR COMPANY?
ARE YOUR IDEAS BEING IGNORED?
DO YOU HAVE THE ENTREPRENEURIAL FLAIR TO SUCCEED AS A MANAGER WITH BRITAIN'S BIGGEST PRIVATELY OWNED HOUSE BUILDER?

We are looking for an intelligent, imaginative, highly motivated, independent person, who cares about people but also has the ability to see the overall business picture.

You must be able to demonstrate in your application:–
originality of ideas;
put forward rational and commercially sound plans;
be willing to take responsibility for the success or failure of these plans.

The successful man or woman who will probably be 25-35, would be expected to make a quick impact and be capable of joining the group's top management team very quickly.

Westbury Homes concentrate their operation in the West Midlands, South Wales, Central Southern England and the Bristol areas. The average age of our staff is in the early 30's.

There is a strong likelihood that the right person will be relocated within twelve months to our fast growing American associate operation which is based in Texas.

Salary and fringe benefits will be no bar to the successful candidate.

Please apply in writing, giving all relevant details to:– Mr. E. Aharoni, Westbury Estates Limited, Westbury House, Lansdown Road, Cheltenham, Glos GL50 2JA.

Westbury Homes

MERCHANT BANKING

based London — negotiable salary

The continued expansion of our project finance activities has created the need for additional executives to structure and implement financing packages for major investment projects on behalf of sponsors and international contractors.

Candidates should be in their late twenties or early thirties, have a background in credit and marketing with a major international bank and be willing to travel extensively. Previous experience in the oil and gas sector or in limited recourse financing would be advantageous. Personal knowledge of Latin America or the Far East would also be helpful.

Salary is negotiable depending on experience. Generous fringe benefits include attractive mortgage and other loan facilities, medical and life insurance and a non-contributory pension scheme.

Please telephone John King on 01-248 9822 during office hours, or Haslemere (0428) 2229 in the evenings for further details and an application form. All responses will be treated in complete confidence.

Lloyds Bank International
Lloyds Bank International Limited,
40-66 Queen Victoria Street, London EC4P 4EL.

Profit Making ACA
(FINANCIAL CONTROLLER DESIGNATE)
to £18,000 + car
MAIDENHEAD, BERKS

A decisive and well organised Chartered Accountant with 3 years industrial post qualification experience is to be appointed to the management team of this enterprising & progressive UK Company currently engaged in a strategic programme of expansion. As an autonomous member of an international organisation which has a unique history of achieving excellence in a broad range of high quality products and is committed to continual technological advancement – the future indicates exciting new opportunities & further growth.

The specific brief is to head a well run accounts department with responsibility for statutory & monthly reporting, budgets, cash management, cost control and the further development of management information systems and financial modelling employing in house computer facilities.

Working closely with a results orientated Managing Director, the appointee will be expected to make an early contribution to the day to day decision making, will progressively become involved in planning and business development, and will have the personality to perform well in 'front line' contract negotiations.

Financial & career rewards are appreciable in the short & long term.

Sheldrick, Sedgwick & Goodyer
25 John Street, Gray's Inn, London WC1N 2BL. 01-405 9843
Senior accountancy & financial management selection

Gilt Fund Manager

Our client, a member of the Accepting Houses Committee, is seeking a Senior Gilt Fund Manager. The successful candidate will have a good academic record and several years experience of the Gilt-Edged market gained preferably in a similar organisation or possibly a Stockbroker. Knowledge of international fixed interest markets, although not essential, would definitely be an advantage.

The position will involve the management of the Gilt-Edged portion of U.K. pension funds. Working with a highly professional team, it is envisaged that this position will give considerable scope to an ambitious individual.

Remuneration, by way of salary and excellent benefits, will be attractive to the right candidate.

Please contact A. Innes or F.J. Stephens who will treat all enquiries in the strictest of confidence.

Stephens Associates
International Recruitment Consultants
44 Carter Lane, London EC4V 5BX. 01-236 7307

Divisional Accountant

THORN EMI VIDEO PROGRAMMES is the leading distributor of video programmes in the U.K. and is currently extending its activities on a world wide basis.

The company now wishes to appoint a Divisional Accountant responsible to the Finance and Administration Manager of the Programme Division. The main function of the job will involve assisting the Finance and Administration Manager in giving a financial service to the Programmes Division, with special emphasis on the acquisition of programme material for use by the company.

Applications are invited from recently qualified accountants, preferably graduates of outstanding ability, who are looking for the challenge of working in a fast moving and expanding industry.

In addition to an attractive salary, we offer the normal benefits associated with a major employer.

Please send full career details or CV to:

Mr. N.H. Rogers, Personnel Department, THORN EMI plc, THORN EMI House, Upper St. Martin's Lane, London WC2H 9ED. Tel: 01-836 2444 ext. 154.

THORN EMI Video Programmes Limited
A member of the THORN EMI group of companies

Bank Recruitment Specialists

YOUNG F.X. DEALERS
Major German Bank

Our client is one of the largest German banks, established in the City since 1973 and with an acknowledged reputation in Foreign Exchange and money markets for the quality and prominence of its trading activities.

Due to continuing expansion of these activities, the bank is able to offer attractive prospects to young Foreign Exchange and Money Market Dealers. The candidates we should like to hear from will be aged 20-25, with approximately two years' broadly based F.X./deposit dealing experience gained within an active trading room.

Salaries are negotiable, reflecting the calibre and potential of the successful candidates, whilst fringe benefits are those associated with a major international bank.

In the first instance, please contact Ken Anderson in confidence.
Telephone: 01-248 7421 or 01-248 8876

Anderson, Squires
Bank Recruitment Specialists
Regina House, 1-5 Queen Street
London EC4N 1FP

Anderson, Squires

SENIOR TAXATION MANAGER
£16,000

Senior Taxation Manager experienced principally in Corporation Tax and Personal Tax required to head up the Taxation Department of a medium-sized London practice with working offices in Surrey. The practice also enjoys overseas work. The candidate must be a Chartered Accountant aged between 30 and 40, personable, able to communicate and be prepared for client exposure. Car provided.

Write Box A.7778, Financial Times 10, Cannon Street, EC4P BY

BRANCH MANAGEMENT
UNIT-LINKED
LANCASHIRE AND WEST MIDLANDS

An established life assurance company with a highly successful unit-linked subsidiary is making two senior appointments to strengthen and expand its presence in these areas.

The requirement is to build up an effective Sales Team to generate an increased volume of business and in the long term to develop on a regional basis.

A record of success in Sales Management in a Life Company at Unit-Manager level or a brokerage is essential. Candidates are unlikely to be earning less than £15,000pa.

Write or telephone in confidence to R. A. Walters:

IAN WILLIS ASSOCIATES LTD.
Executive Selection Consultants
16 Regency Street, London SW1P 4DD.
Tel: 01-821 6543 or 821 6229.

BANKING EXECUTIVE
Danish Dept.

Hambros Bank seek to appoint an Executive with Banking experience and/or Commercial experience to join the Danish Department, based in London.

Primary responsibility will be to market the services of the Bank in Denmark. Hambros has a long-standing relationship with many of Denmark's leading companies. Our aim is to strengthen these relationships and to extend the merchant banking services we provide.

The successful candidate is likely to be a graduate with at least two to three years' post-graduate experience in banking or in the financial sector generally.

An excellent salary/remuneration package, including relocation allowances, will be negotiated.

Please apply, with full details of your career so far to:–
G. M. Wolfson
Director — Head of Personnel
HAMBROS BANK LIMITED
London EC2P 2AA

HAMBROS BANK LIMITED

HOME FARM TRUST
FOR THE MENTALLY HANDICAPPED
DIRECTOR-GENERAL

A NEW POST OF A DIRECTOR-GENERAL
is being created to head up this expanding national body which provides whole-life care and personal development for mentally handicapped adults in homes throughout the country.

RESPONSIBILITY
to the Board of Governors of the Trust for the effective functioning of the Trust's affairs, including overall direction and control of the homes and the central office in Bristol and representation in the national scene.

TASKS
include leading and motivating a team of dedicated professionals responsible for care, liaison with Local Authorities, finance, buildings, and fund raising and development.

REQUIREMENTS
include proven administrative and managerial skills acquired in business, the public sector, the professions or a major national charity. Representation qualities, including an ability to communicate. Appreciation of the needs and problems of the mentally handicapped, sympathy and empathy are as important as direct experience.

TERMS include a substantial salary, pension benefits and car.

Write in confidence to:
The Chairman,
HOME FARM TRUST LIMITED,
54 Queen Square,
Bristol BS1 4LH.

MANAGEMENT and FINANCE
c. £14,000

A Partnership Secretary is sought by a business-like and well established firm of Westminster solicitors. The post carries overall responsibility for the working of the firm's offices, systems and staff. It requires a person with a capacity for financial analysis and planning and able to demonstrate constructive management skills. Duties will be wide-ranging and include attendance and record at Partners' and Committee meetings, preparation of budgets and projections, selection of office systems as well as personnel and general business administration. The partners are prepared to delegate considerable powers to someone of ability whom they can treat as an equal. It is thought that an individual aged 35-50 years and probably a Chartered Secretary or accountancy qualified will combine the desired authority and drive.

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Applicants for this key post within the financial structure of the group must be fully qualified, aged 30-40, with several years' post/professional experience.

The successful applicant will have an enthusiastic approach to the job in hand, together with the ability to get things done—not only by example, but also by thorough motivation of his or her support staff. Prospects within the group are considerable.

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There is a strong preference for candidates who are prepared to work single status. An excellent tax free remuneration and benefits package is offered.

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Each role carries an attractive tax free salary for discussion. Other benefits include a bonus, housing allowance, car, free interest loan facility, UK leave with paid return air fares, married or single status. Please write – in confidence – quoting appropriate reference to G. E. Yazigi.

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Delegation of the Commission of the European Communities (EC) in Japan
Address:
Kowa 25 Bldg., 8-7 Sanbancho, Chiyoda-ku, Tokyo 102.

THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

Wrighton's rethink aimed at repelling foreign invasion

BY MARK WEBSTER

ERNST-UWE HANNECK apologised for a small mistake in his otherwise flawless English. No, he said politely, he did not think it a poor reflection on British management that Wrighton, the luxury kitchen makers, had chosen a West German as its managing director.

Yes, he certainly did feel he could contribute a special understanding of the luxury kitchen market in order to restore the fortunes of the troubled British company, which last year ran into a heavy loss. After all, before he arrived at Wrighton four months ago, he had been one of the people behind the successful invasion of the British market by European, and particularly West German, makers of kitchens and appliances.

European manufacturers have captured more than 30 per cent of the UK fitted kitchen market which last year was worth an estimated £115m and is growing at a rate of 15 to 20 per cent a year. Companies like Siematic and Poggenpohl of West Germany have become household names even though they only began their penetration of the British market less than a decade ago.

"We have seen the success of the continentals and we are going 100 per cent into that area," said Hanneck. He ought to know what can be done. In 1972 he came to England at the tender age of 27 and pushed sales of Neff's West German-made kitchen appliances from nothing to £20m last year.

What he is proposing for Wrighton is a complete re-think of its marketing strategy. "Having looked at this company and at its past record, it is clear that its marketing policy was wrong. We concentrated on the contract market supplying units to the building trade . . . concentrating on that one market meant that we missed out in many cases on the development of kitchen specialists in retailing."

Wrighton is not alone among British kitchen makers in failing to see the importance of the specialist outlets. Most British companies continued to deal with the traditional builders' merchants while European manufacturers took full advantage of the new outlets which provided everything from advice to installation of quality kitchens.

To put Wrighton on what he considers to be the correct competitive footing with the importers, Hanneck has slashed the number of outlets from nearly 3,000 (a great many of which were nominally agents but sold virtually nothing) to

Specialist outlets will now play a key role in marketing Wrighton's upmarket products

less than 300. That number will eventually be reduced to around 200 who can offer the same complete package as rival outlets.

To back up its new, more selective, image Wrighton will launch an advertising campaign in the middle of this year through national and local Press. The campaign will introduce seven new ranges bringing the Wrighton total to 15 and will stress the "Britishness" of Wrighton products and their quality.

Hanneck believes that the British public have always wanted to buy British but have not found what they required. "We can be more responsive to the needs of the British market than the Europeans," he said. At the same time, Wrighton will start paying more attention to the changes in fashion of the much-larger European market than it has done in the past.

The new ranges will try to put the accent on quality and give a British taste to fashionable designs. They will sport more solid wood doors and the "rustic" kitchen look will be brought back. To stress the importance of quality control, Wrighton will start the inspection of individual kitchens after installation.

But European competitors are openly sceptical of the future for British companies in the luxury kitchen market. John Kidd, managing director of Poggenpohl's UK subsidiary, explained his West German parent company had an annual turnover of more than £60m while only a handful of British companies were even in the £10m a year league.

At that rate, he said, the fully mechanised factories in West Germany showed much greater economies of scale, much higher productivity and could offer a far wider selection of ranges. In 10 years, Poggenpohl has increased its turnover to £6m a year in Britain and expects sales to carry on growing by 15 to 20 per cent annually.

"We don't have to be big to be competitive," is Hanneck's reply. "We could be relatively small by comparison with the large German and French manufacturers and still be competitive. It's a question of the right marketing which includes the right product, backed by the right policies and the right after sales service." It also means though that, without the Germans' economies of scale in manufacturing, Wrighton will have to operate on narrower margins.

Hanneck will have been greatly helped by the sweeping changes that Wrighton has been through over the past year. Under the management of three brothers of the Wrighton family, turnover had grown only slowly and profits had been meagre for a number of years. Competitors are convinced that poor management was one of the key reasons for Wrighton's recent troubles.

Faced with stagnating sales and high overheads, Wrighton embarked on a rationalisation plan. The Walthamstow factory was closed and the headquarters transferred to the more modern premises at Nazeing in Essex. At the same time, the workforce was halved to 300.

The purchase of the company by Greenbrook Securities, a window frame manufacturer, for £3.5m last year signalled a thorough management shake-up. Two of the Wrighton brothers left the company completely and only Keith Wrighton has stayed on as chairman. Hanneck was called in as managing director just as the company was settling down in its new, reduced size.

The Nazeing factory has plenty of spare capacity and is only producing some 2,000 units a week when it could turn out 50 per cent more. Wrighton's new management also believes it can learn from its European rivals which buy in many of their items—thus giving them a wider range without incurring heavy overheads.

The combination of the new marketing strategy, the reduced overheads and the new ranges is not expected to increase Wrighton's turnover this year much above last year's £9.3m. But it should put the company back in profit this year after last year's exceptional £574,000 pre-tax loss accounted for mainly by the costs of shutting the factory and moving offices.

Over the next two to three years, Hanneck wants to double Wrighton's market share which has stayed stubbornly around the 8 per cent mark for the past five years. The key to that, he believes, will be Wrighton's relationship with the retailer and the customer. If that can be established, he says, Wrighton will regain its position as "Britain's number one maker for quality."

A problem of polarity in the British market

THE collapse of Hygena, once Britain's leading kitchen furniture manufacturer, provided a graphic illustration of the shaky state of the home industry.

Hygena went down in January after years of heavy losses which the parent group, Norcros, decided it could no longer support. Yet Hygena's management said it had tried everything from trimming overheads to introducing new product lines to save itself from liquidation.

Industry analysts believe that Hygena disappeared down a hole between two growing parts of the market—the very cheap self-assembly furniture and the luxury, rigid kitchen.

The Furniture Industry Research Association, which has just brought out a report on the kitchen furniture market, agrees that about four years ago the market in this country had polarised to the cheap or the expensive with little in between.

Until last year, the top end of the kitchen market had not felt the full impact of the recession and had gone on growing by 15 to 20 per cent a year to reach an estimated £115m last year.

FIRA believes that the quality end of the market will feel some of the effect of the recession this year. While overall spending on furniture should increase in real terms this year, for the first time in three years, spending on kitchen furniture is expected to stagnate.

Home base

There are some 50 companies of any significance making kitchen furniture in Britain compared with more than twice that number only ten years ago. Only a handful of the companies have a turnover of more than £10m a year.

By contrast, continental manufacturers tend to be much bigger and have used their secure home base for building an export trade.

With the stagnation of sales in the top end of the market, FIRA expects many British and foreign manufacturers to explore the grey area of medium priced kitchens, traditionally considered more sensitive to recessionary pressures.

FIRA refuses to give the price for a "standard" kitchen but one industry expert said the medium-priced complete package would cost £4,000 to £6,000.

It is this ground which FIRA thinks will be increasingly hotly contested by existing manufacturers. At least one expert concludes that British companies will lose out: "British manufacturers cannot adapt fast enough to changing fashions. There is still a lot of overcapacity and a number of larger British companies are on short time working." He is convinced more companies will fall by the wayside.

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Advertising

Scene set for shake-up in the poster market

THE outdoor poster market is currently in turmoil in anticipation of the shut-down of the British Posters consortium at the end of this month.

Moreover, the industry is awaiting with some trepidation any clue as to the Office of Fair Trading's guidelines on how the poster market should be carved up following British Posters' demise—the result of a critical Monopolies and Mergers Commission report last July. Gordon Borrie, Director-General of Fair Trading, is expected to send his confidential advice to the Trade Secretary within the next few days.

The end of British Posters has fortuitously come at a time when demand for poster advertising has remained "buoyant" (along with that for most other types of media), although there are fears that advertisers may become less willing to use posters.

This is because the key advantage of British Posters was that it reduced some media-buying problems by offering to advertisers a simple pre-selected package of poster sites. British Posters offered advertisers the opportunity to mount specific short-term campaigns on a national basis without going through the difficulties of dealing with a multiplicity of contractors.

Unfortunately for media buyers seeking simplicity, the Monopolies Commission decided that a consortium of ten leading contractors offering such a service had inevitably reduced competition and led to higher prices for poster sites.

Now the jockeying for position that is taking place among the leading contractors could lead to some of the confusion the previous arrangement avoided, and encourage advertisers to divert spending into other forms of media. Many advertisers are in any case traditionally sceptical about the value of poster compaigns, given the lack of precise measurement of effectiveness and control of sites.

The OFT itself has found the poster industry far more complex than it had first believed, hence the delay in giving its advice to the Government on the consequences of ending the British Posters consortium.

The current state of the industry can be linked to the structural upheavals in the poster world over the past two decades. Poster contractors have traditionally been small, family-run businesses with control over sites in a single town or county. In the 1960s there were 700 or so such contractors but rationalisation since then has reduced the number to about 70 companies responsible for the 180,000 poster sites scattered throughout the UK.

British Posters was formed in the early 1970s to meet the demand for a more balanced selection of sites—in terms of both location and size—than the poster contractors could usually provide themselves for advertisers. British Posters, however, only acted as a marketing operation for sites owned by consortium members.

According to the Monopolies Commission's investigations, British Posters had about 36 per cent of the market as measured by the number of poster panels.

Up for grabs

However, two of its members also had significant shares of the market in their own right—Mills and Allen with just under 12 per cent and London and Provincial with about 10.5 per cent. The other members of the British Poster Consortium accounted for some 15.5 per cent, while other contractors made up the remaining quarter.

Thus, it is the third of the market which was marketed through British Posters that is now up for grabs—although as British Posters has been run down over the past few months, the fighting has already been going on in earnest for some time. The London and Provincial Poster Group, for example, has set up a special marketing department to offer advertisers the pre-selected short-term packages that could previously be bought only through British Posters.

The other major contractors—such as More O'Ferrall and Arthur Maiden—are doing the same, overcoming the problem of lack of national coverage of sites by chartering sites from other contractors. It thus becomes a question of which contractor can best market his packages of sites.

The ever-present problem is not to go too far too fast. The OFT is likely to set some limits—in its advice to the Government—on the market share of each contractor, although this remains a difficult statistic to calculate on an agreed basis. The OFT will also probably limit the potential for link-ups between contractors who might try to create a new marketing operation similar to British Posters. However, it is unlikely to prohibit contractors from hiring sites from each other so that they have a larger choice of sites to offer advertisers for particular campaigns.

But advertisers in the present market will have several other alternatives to choose from, rather than staying with the established contractors. Specialist media-buying bureaux—such as Portland, Poster Media, and Posterlink—are extending their businesses to offer pre-selected packages which they have formed themselves.

A further alternative is the Independent Poster Sales organisation, a consortium of a number of small contractors. This body is different from British Posters in that it does not attempt to sell blocks of sites selected in advance but makes up campaigns from members' available sites against specific enquiries.

All the various contractors and poster buying and selling groups, therefore, will be eagerly trying to persuade the advertiser of the benefits of their particular package of poster sites. Such competition is exactly what the Monopolies Commission had hoped for—but the fact remains that it will still be more confusing for advertisers seeking to mount short-term campaigns.

David Churchill

THE ARTS

Record Review

Bartók recorded

by DOMINIC GILL

Bartók: The complete recordings. Vol. I "Bartók at the Piano" (Hungaroton LPX 12326-33, eight-disc box, about £39); Vol. II "The Bartók Archive" (Hungaroton LPX 12334-38, five-disc box, about £24).

Considering his stature both as virtuoso pianist and composer, Béla Bartók left remarkably few recordings behind him. Why this should have been is something of a puzzle. Bartók, like Stravinsky, was fully aware of the documentary importnace of performances by a composer of his own work preserved on record. His letters show that he would have liked, in theory at least, to have started to make commercial records as early as 1927. He was uneasy, too, about the clause in composers' contracts with their publishers which allowed commercial companies to record (as Bartók commented in his essay *Mechanical Music* in 1937) "any published composition without asking the composer's consent. . . . Consequently distorted performances immortalise the composer's work on the record market; he cannot protest against them." How better to keep the record straight than to make it himself?

Yet, between 1928, the year of his first electric studio recording, and the year of his death in 1945, Bartók's recorded contribution for posterity—set beside the comparative wealth of recordings which Stravinsky, for example, either played or conducted during the same period—is patheticaly small: a mere 256 minutes of music, of which barely more than half features his own compositions, and less than half Bartók himself as solo pianist. It is this collection which tHungaroton has recently published as its tribute at the end of the centenary year, supplemented by a second "archive" volume, some 230 minutes long, of tantalising fragments; amateur recordings, mainly incomplete, transfers of wax cylinders and piano rolls, usually of very poor sound-quality, some of which were collected after Bartók's death by his son Péter, and many of which appear now on disc for the first time.

Bartók's own personal diffidence, his almost pathological pride, and his lack of any kind of commercial sense, as well as an undoubted ambivalence towards the very idea of "freezing" a live performance on disc, are probably the most convincing explanations of this remarkable vacuum. There is no evidence indeed that Bartók ever went so far as to ask anyone, at any time in his life, to record his (or indeed any other's) performance of any one of his works. His Vienna publishers for 1918-38, Universal Edition, showed no interest in urging or obtaining recordings (although most of the recordings he made after 1938 were at the behest of his new British publisher, Boosey and Hawkes). Some elaborate stratagems to transfer money to Bartók by way of "recording fees" were unsuccessful. From 1941-43, Don Gabor, the Hungarian-born owner of Continental Records in New York, used exaggerated sales accounts of Bartók's last recording sessions as a means of making secret gifts to the composer. But early in 1944 Bartók noticed the discrepancy between his sales figures for Columbia records and the much smaller Continental, guessed the ruse, and refused further royalty.

The emotions aroused by these two invaluable volumes of 13 records are those of the deepest delight tempered by disappointment and towering frustration. Five incomplete page-long excerpts from the second piano concerto played by Bartók with the Budapest Concert Symphony Orchestra under Ernst Ansermet and recorded by an amateur in Budapest in 1938—magically evocative in spite of their appalling sound-quality—are the *sole recorded evidence* of a Bartók performance *of any of the three concertos*!

There is not a single recording of the piano sonata of 1926, and only one of the two violin sonatas (a marvellous, idiosyncratic performance by Szigeti with the composer of no. 2, recorded in Washington at the Library of Congress in 1940, which whets the appetite the more to hear no. 1). No complete *Mikrokosmos*; nothing of the *Out of Doors* pieces, and only the fifth of the *Petite Suite* arrangements of 1936. What survives does not represent even a fragment of Bartók's huge piano and chamber music repertoire, which included all of the Beethoven sonatas, and all of Debussy. It is rare luck that a fair number of piano duets intended principally to launch Ditta Pásztory, his wife, remain—though not a note of their famous account of Stravinsky's Concerto for two pianos, nor any either of Bartók's legendary performance of Liszt's *Totentanz*.

Enough of regrets. These 26 LP sides together make a fascinating journey of discovery, and there are more than enough gems among them to provide ample compensation. Among the most interesting of Bartók's performances of his own music are two versions of the Suite op. 14, one a test-pressing, the other the HMV-released performance, made within a few days of each other in 1929. Bartók preferred the second, one supposes for its marginally finer dynamic shading and its slightly more incisive rhythmic attack; but the test-pressing is a beautiful performance too—freer, more relaxed, more tonally radiant.

A very poor quality recording made with Ernő Dohnányi in 1938 of the Liszt *Concerto pathétique* for two pianos is not by any means a notably whole or well-matched performance, but it is nonetheless riveting—bizarre confrontation between adored idol and ascetic eccentric, thundering through the fog of surface scratch. A Columbia test-recording, made in the Abbey Road studios in London in 1937, of two *Mikrokosmos* is a special gem—the melancholy, nocturnal *staccato* and the nervous, flashing *ostinato* (nos. 124 and 146); this last a close link with the piano sonata, and perhaps our nearest glimpse of how it might have sounded under the composer's hands. Another test-recording, too, dating from 1929, reveals a marvellous, fleet-fingered group of four Scarlatti sonatas (aficionados may already know them from the Bartók Records series issued by Péter Bartók after his father's death).

Some of the finest tracks of the collection are, ironically, not of Bartók's music at all. The beautiful performance of Hungarian folksongs arranged by Kodály and sung by the great contralto Mária Basilides (1888-1946), accompanied on the piano by Bartók with exquisite tact, almost justify the price of the volume by themselves. The voice of the diseuse Vilma Medgyaszay, whose natural "untrained" musicality so delighted Bartók and Kodály when they first heard her in 1927, also appears in the set in a group of folksong arrangements by both composers, delicately and sweetly setting off the high-artifice of Basilides.

Queen's

Another Country

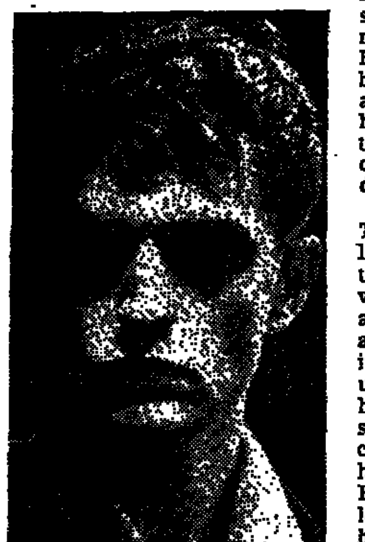
The school play has certainly come a long way since *The Happiest Days of Your Life*. Much of the best contemporary writing for the stage, from Barry Reckord to Barrie Keeffe, has delivered reports from the front line of the secondary modern and comprehensive school jungles. Less fashionably, Julian Mitchell's outstanding new play ploughs the furrow dug by Alan Bennett's *Forty Years On*, but, not without one eye on our recent obsession with the climate of treason, plunges us back to a summer term in the early 1930s.

The piece opens on an earnest little conclave huddled beneath a Gothic window in the Fourth Year Library of a major public school. A memorial service has just ended and the boys launch into a languid discussion of house politics, homosexuality and, with many a jeer at Judd's fondling of Lenin's bust, Marxism. These are the confident, deferential little heirs of men who made Britain Great. Their language is the ludicrously formal whinnying of imitation empire builders closeted behind oak-panelled doors, with its jockeying for status, anxiety about reputation and unquestioning subservience to the *status quo*.

The setting up of this embryonic middle-aged *milieu* is achieved simultaneously with careful revelations of character within the group. The basic pattern yields a central conflict between Judd, with his ridiculous invocations of proletariat aspirations, and the dangerously magnetic figure of Guy Bennett. Bennett, in the grip of a fantasised "pash" for an unattainable boy in another house whom he serenades while fixing him in his binoculars' sights, breaks off to astound his audience with an unorthodox tale of domestic crisis. His father conked out with a heart attack while lying on top his mother.

The fortunes of Judd and Bennett are charted through a series of wonderfully observed scenes. The real world never intrudes. Even the visit of Vaughan Cunningham (David Williams), a pacifist literary gadfly with nasal intonation and semi-*louche* aphorisms about Swinburne and Harold Nicolson, has only come to address the group because he is related to one of them.

Stuart Burge's production is a model of affection, tact and, above all, inspired casting. I doubt if the West End has seen such an impressive pair of debuts as those of Rupert Everett as Guy and Kenneth Branagh as Judd for a very long time. The latter is literally straight from RADA. His technique is assured and flawless. Especially good is the way he bestows unsullied affection on a bullied young fag, or sums up his predicament by confessing that what he hates about cricket is that it is such a damned good game.



Rupert Everett

Everett is like the rock star Ten Pole Tudor in a previous life. Lanky, gaunt, breathtakingly expressive of both voice and gesture—he exudes authority even when kneeling awkwardly on a chair or playing one scene twisted in an ungainly knot on the floor—he shows Guy's drift to homosexual self-knowledge with consummate style. He claims he would make a good spy. But the Burgess parallels are less important than the play's honest arrival at the boys' realisation that their destinies lie outside of the stifling world so excellently conjured by Bernard Culshaw's clever design.

MICHAEL COVENEY

Elizabeth Hall

Cleveland Quartet

We have loved the Cleveland Quartet more. On Tuesday they played Beethoven, Bartók and Brahms: all quite good, the *Brahms perhaps better than* that. Cultivated readings, distinguished by the succulent Cleveland sound, which tends to be audibly sensitive well beyond the requirements of straight exposition. Still, one expected a stronger grip than these underwhelming performances *ever exerted*.

There is no fault to be found with the recently enlisted viola, Atar Arad, whose firm, clean-edged line seized the ear often during the evening. But can the collective Cleveland attack have gone soft? Their rhythmic ensemble was often loose, most damagingly in Bartok's 4th Quartet but also to the detriment of the grander passages of the A minor Quartet of Brahms—never rough, but rarely tight enough to establish a compelling pulse. Even in Beethoven's early B-flat Quartet, No 6 of the Op 18 set, tempi were liable to slip casually, possibly with expressive intent but to distracting effect. And it was there that the Cleveland leader's exacerbatedly expressive address—a hairpin *swell on almost every long note* and most medium ones, a trick of striking an emphasis *before* the beat and then fading Romantically—was a positive nuisance; this Beethoven deals in bold contrasts of manner, not in refined shadings.

Brahms took better to their homogeneous, mildly impassioned style, though it was odd to find the climactic portion of the Andante moderato sounding *heartfelt and headlong in just* the same way as the heights of the opening movement had done. Certainly the music was well searched through, and often it was given a lovely lustre. The Bartok Fourth was not overtinted—quite the reverse: if anything, its colour-contrasts were underdone *(non vibrato against vibrato,* choked *ponticello* against normal voice), less magically strange than they ought to be. More seriously, the work bore the signs of being a recent addition to the Cleveland repertoire. Sound tempi, mostly faithful dynamics, nearly all the right notes; but no musical argument was decisively shaped—the piece might have been a suite of genre-studies, for all the cumulative power it failed to acquire.

It made a pretty impression, hinting only remotely at any iron fist in the glove. By what ought to be the Cleveland standards, *all that distinguished the per*formance from tasteful 'prentice-work was its technical assurance.

DAVID MURRAY

Sadler's Wells

Sadler's Wells Royal Ballet

by CLEMENT CRISP

With its orchestral troubles resolved, Sadler's Wells Royal Ballet began on Tuesday what remains of its Rosebery Avenue season. The evening was happy, both for the reappearance of the company, and for the presentation to Peter Wright, SWRB's director, of the Evening Standard 1981 award "for the *most outstanding achievement in ballet*." As a member of the awarding panel, I need only say that it was especially fitting that Dame Ninette de Valois should have been at the Wells to give Mr Wright his richly merited reward for a year of exceptional work from SWRB.

The programme opened and closed with two MacMillan pieces, *Solitaire* and *Concerto*. In the former the cast seemed unable to surmount the designs by Barry Kay, whose fantasticated costumes require no less a sense of fantasy from the dancers who wear them. *Concerto*, which suits SWRB well, was danced cleanly, and in Roland Price finds a splendid exponent of the ebullient entries in the first movement.

Marion Tate, Galina Samsova, Desmond Kelly and Carl Myers in 'Quartet' Leonard Burt

Three novelties were the heart of the evening, two of them arguing the importance of rescuing and reviving ballets from the past. For 40 years Walter Gore was a prolific and potently theatrical choreographer, though far too few of his ballets survive in today's repertory. Gratitude then to SWRB for inviting Sally Gilmour, that illustrious Rambert artist, to recreate *Confessional*. This was a duet, dating from 1941, which Gore made for Miss Gilmour and himself, based upon Browning's poem telling of a young woman led by her confessor into betraying her lover. The poem—with its stunning opening "It is a lie!"—is spoken (and brilliantly, for this revival, by Mary Miller) and accompanied by part of Sibelius's *Pelléas* music.

The choreography illuminates the girl's monologue, moving from anguish (the opening pose will be known to ballet-lovers from a potent photograph of Sally Gilmour kneeling at the ballet's start) through recollected passion to accusatory despair. It mingles illustrative gesture with longer dance phrases; as always with Gore, theatrical energy is ever present. From Marion Tait it receives a powerful and impassioned performance, committed, convincing, with Carl Myers in Gore's brief role as the betrayed Beltran.

There followed an even more extraordinary revival: the pas de six from St Léon's *La Vivandière of 1848*. It has been brought to life by the eminent notation expert, Ann Hutchinson, from St. Léon's own stenochoreographic text — the sextet being the only passage of his work which he notated fully. The result is an entirely charming sequence of dances for a ballerina (Margaret Barbieri as St Léon's wife, Fanny Cerrito), a danseur (Roland Price as St Léon) and four female soloists.

The eye is constantly surprised by ingenuities of pattern, and by the cunning way St. Léon deploys his sextet. The manner, very properly, suggests something of Bournonville in its fluency—especially in a briskly difficult variation for the man—for this is the great French style of the 19th century. But there are evolutions, shapes of movement and phrasing, which are fascinatingly different from anything we know in other ballets that have survived (more corruptly, through continued performance) from the period. And like the dances, the dancing was bright, fresh, beguiling. A small gem but well worth showing.

Finally a brand new *Quartet* from Kenneth MacMillan. This uses the second movement from Verdi's string quartet in an arrangement for orchestral strings by Barry Wordsworth. It is, I assume, a continuation from a duet to the quartet's first movement made earlier this year by MacMillan for Elisabetta Terabust and Peter Schaufuss, and suggests that we are in the presence of work in progress, which will eventually find the score completely realised.

MacMillan's four dancers—Galina Samsova and Desmond Kelly, Marion Tait and Carl Myers—are displayed in lyric encounters that suggest shifts in relationship, sorrows as well as joys. There seem traces of a theme, but more important is the eloquence of the performers and the generous pulse of the dances.

Festival Hall

A German Requiem by ANDREW CLEMENTS

Fashion has dealt contemptuously with a whole body of 19th-century choral music, not all of it second-rate. But Brahms' *Ein Deutsches Requiem* has somehow survived and of late even prospered. Georg Solti's performance with the London Philharmonic Orchestra and Choir on Tuesday (to be repeated this evening) followed his recording of the work for Decca, which was released about a year ago. Quite why this of all romantic Requiems should have stayed the course is hard, for me at least, to fathom. It consistently lacks most of the attributes which choral favourites seem to need, and its deliberate understatement of emotions is an acquired taste.

Solti's recording (with American players) was just a shade too insistent for repeated listening. But in the concert hall basically the same approach was a good deal more convincing. Only the first movement failed to hold the attention, and that largely because of Solti's refusal to press; the firmer rhythms and four-square phrases of "Denn alles Fleisch" found conductor and chorus on much surer ground, with the sopranos bringing a true benificence to "So seid nun geduldig." The soloists were Thomas Allen and Isobel Buchanan. Miss Buchanan took her movement serenely, unflustered by the intermittent squalls from the woodwind behind her; only occasionally did her approach seem too outgoing and effusive. Mr Allen responded most incisively to his delivery of St Paul's message to the Corinthians in the sixth movement, arguably the closest Brahms came to operatic writing.

The chorus and Solti consistently brought a lightness to the fugal writing that put most of the orchestral playing to shame. Some uncertainties in the opening movements of the Requiem could have been the legacy of an unhappy account of the St Anthony Variations in the first half of the concert, but problems persisted. Perhaps as preparation for the sombre work to follow Solti had emphasised the gentler meditative aspects of the Variations; there was little relief in the dour accounts of the scherzo-like sections and the finale was heavy rather than exultant.

Guildhall

The Carmelites by MAX LOPPERT

Next season, Poulenc's opera returns to Covent Garden with a grand cast. In this country, professional revivals have become exceptional events in recent years. *The Carmelites* has been taken over by opera *schools* eager to undertake a work with so large and rewarding a complement of varied female roles. But it is far from being ideal student fare, as Tuesday's opening performance of the current Guildhall School production made clear.

The opera is a curious, complex, and (on the right night) hypnotically fascinating web of solo melody, choral setpiece, and orchestral interlude, of narrative and reflective material dramatically intertwined. When the web is spun by performers of musical and theatrical sophistication tuned to the proper pitch—adept at penetrating the nuances of Poulenc's word setting (even when its special eloquence is diluted in Joseph Machlis' translation), quick to characterise by subtle, unobvious means—then the opera seems an unrepeatable small masterpiece.

That it did not do so on Tuesday was partly because of the unfinished vocal schooling of most of the cast, but principally because the producer, Basil Coleman, had evidently been unable to instil in his players the art of communicating with a glance or a meaningful flick on a particularly charged syllable. The inner tensions of the piece were missing, and quite soon badly missed; the opera became the slow, sometimes tedious procession of scenes it is sometimes—quite wrongly, in my view—deemed to be. Blanche's difficult personality—difficult because so dangerously close to being found totally unsympathetic—was rendered in monochrome; Mother Marie and the New Prioress engendered between them few sparks.

The notable exception to the impression of well-intended but unfocused action came in the two scenes of the Old Prioress, a gift of a part here seized with admirable conviction by Ann-Sofie von Otter, a more than promising young performer; her youth was visible, but so too her gift of attack and projection. The opera is handily set and staged on an apparently limited budget; the guillotine finale works, at last, something of its peculiar power. Vilem Tausky conducts a strong student orchestra, without lingering, but also without discovering the special shape and climax of each scene; the music, whatever one may think of Poulenc's assortment of influences readily owned, is not bland, as it sometimes sounded here to be. Further performances this week, with alternate casts.

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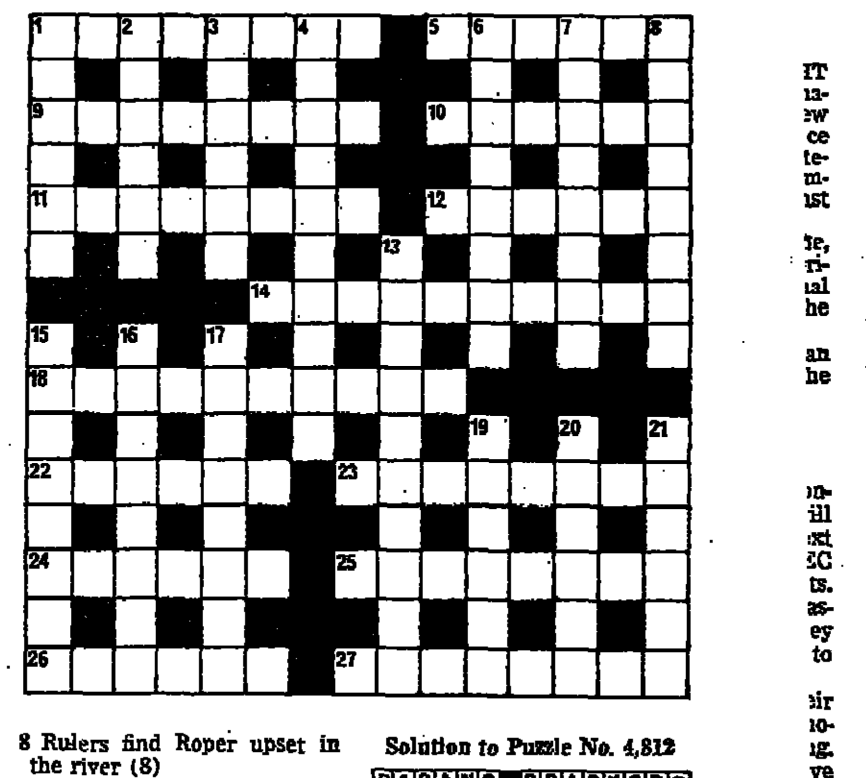


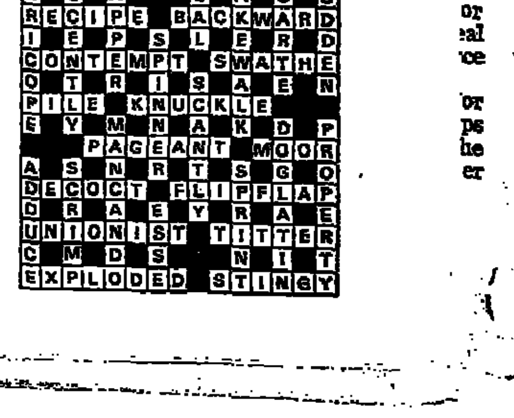
ACROSS

1 Collected Jacob's son about that place (8)
5 Cake that makes one talk nonsense (6)
9 Dance started by an ardent *supporter* (8)
10 After a month a politician means to make off (6)
11 "Not with —— words of man's wisdom" (N.T.) (8)
12 Twin runner (6)
14 Forensic address gives opponent the first blow (4, 6)
18 An uncomfortable situation comes as a shock in the States (3, 3, 4)
22 Rummage around for a long time (6)
23 *Consecration keeps the Old* Testament with one in the county (8)
24 A knife for the poor chiropodist? (6)
25 Self-confessed procrastination betrays the heathen (8)
26 The Russian unit must be completed again (6)
27 "Unhouseled, disappointed, ——" (Hamlet) (8)

DOWN

1 The old man could be a gillie (6)
2 In America this evening could be explosive (6)
3 Formerly the cunning *governor* (6)
4 Urge proposal of health with a breakfast dish (3, 2, 5)
6 But German river has a place in Wales (8)
7 Just a bit vulgar perhaps (8)
8 Rulers find Roper upset in the river (8)
13 Equip the old fellow for the final struggle (10)
15 Transport for the brass hat (5, 3)
16 Puts up Edward in Kent (8)
17 Silver set on gold (4, 4)
19 Half London goes to court—the hasty-tempered are advised to keep it (4, 2)
20 Falstaff's attendant might well have been fired (6)
21 Ruined possibly, but used to it (6)

Solution to Puzzle No. 4,812



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The crunch for Belgian steel

THE BELGIAN steel industry represents a particularly challenging case for the EEC Commission's steel restructuring programme. It produces just over 12m tonnes of steel a year, or about one-tenth of the Community's current steel output, but can sell only one quarter of this output on the Belgian home market.

If this steel were being produced relatively efficiently, the high export dependence would not justify particular attention by the Commission; but this is not the case. The Commission is demanding painful measures in the Belgian steel plants because it regards the Belgian industry as being particularly dependent upon public finance, and finds it had to reconcile government-backed modernisation plans with the needed reduction in steelmaking capacity.

Concentrated

The Belgian industry's efforts to reduce and moderate output have apparently lagged behind those in other European countries. In the years 1979-81 employment in the Belgian steel sector was reduced by only 7 per cent, *compared with* a shedding of 42 per cent of the workforce in the UK and some 24 per cent in France.

It is not because the Commission is regarded as acting unfairly against Belgium that the union resistance to its proposals is particularly tough. The problem is that Belgium's steel output and employment are concentrated in French-speaking Wallonia, with two-thirds accounted for by Cockerill-Sambre, an uneasily-merged combine with plants concentrated in Liege and Charleroi.

Unemployment in Wallonia is, at an estimated 18 per cent, well over the national average of 11 per cent. Moreover Wallonia, which has long felt it has a raw deal in Belgium's economic development, is now feeling particularly weakly represented in the Government in Brussels.

It is partly due to the *absence of Wallonian socialists* in the centre-right coalition that the Belgian Government has recently been able to take unusually tough measures to put the Belgian economy back in touch with reality. These included a devaluation of the Belgian franc within the EMS, partial de-indexation of wages and selective price controls. They will be reinforced in the spring by an austere budget.

While this Government is strong enough to impose stiff medicine on the economy as a whole, it courts charges of regional discrimination as soon as it focuses its attention on the steel plants of Wallonia. Already the steel unions are attempting to escalate the steel issue into a renewed flare-up of Belgium's long-standing regional tension by urging a general strike across Wallonia against steel cuts in particular and the Government's hard-nosed economic approach in general.

The Belgian Government therefore finds it convenient to let the Commission take the brunt of the steelworkers' anger: it was notable that M Mark Eyskens, Belgium's Minister of Economic Affairs, did not take part in Monday's talks between the steelworkers' leaders and Viscount Etienne Davignon, the EEC Industry Commissioner.

In facing up to the steelworkers the Commission can argue with justification that the EEC steel restructuring programme is letting the Belgian steel industry contract gently: whether the alternative were unbridled competition across Europe, or a relapse into protectionism, the consequences for the Belgian industry, and for Cockerill-Sambre in particular, would be dire.

Consequences

The virtue of the EEC approach to steel, in contrast to its approach to agriculture, is that while cushioning the shock it is continually urging the industry to reconcile supply with demand and to prepare itself for the moment of truth at the end of 1985 when all government subsidy for the industry is due to be ended.

But the employment threat hanging over Liege, in particular, does beg the question whether the EEC could do more *to ease the social consequences* for the workers displaced in the steel shake-out. It is because of the appetite for funds of the Common Agricultural Policy that the EEC's industrial policies seem fated to consist more of stick than of carrot.

Compromise on pensions

THE LOBBYING over the size of the contracting-out rebate for private pensions schemes in the next five-year period, from 1983 to 1988, has ended with the decision of the Government to recommend to Parliament a rate of 6¼ per cent. This figure, which relates to the reduction in the total National Insurance contributions by employers and employees, is neatly pitched between the 6 per cent which was suggested last year by the Government Actuary, and the 6½ per cent which has been argued for by large sections of the private pensions industry. It compares with the 7 per cent ruling for the current 1978-83 period, a level which it is generally accepted should decline over the years for actuarial reasons.

Safeguards

The controversy may be technical, but the implications are considerable both in terms of the flow of funds into the National Insurance scheme—that extra ¼ per cent is worth £125m—and in terms of the commercial interests of the private pensions industry.

Contracted-out pension schemes have been seeking to hold on to the relatively strong position they secured when the first contracting-out rebate was fixed in 1975. At that time the Government Actuary judged that a 6½ per cent rebate would be appropriate, but under pressure from the pensions industry the then Labour Government agreed that the risks being taken on by pension schemes were such as to justify not only a 7 per cent rebate but also safeguards such as a 12 per cent upper limit on the revaluation of guaranteed minimum pensions which contracted-out schemes are committed to pay.

Subsequently it came to appear that the Government had been somewhat generous. When the Pensions Bill was presented to Parliament in 1975 the supporting financial estimates gave alternatives on the basis of 4m, 6m or 8m persons contracted out. But by 1979 it turned out that 10.3m employees were contracted out, or 89 per cent of all the active members of occupational pension schemes.

So in reassessing the position last year the Government Actuary stayed broadly in line with his original calculations, before they were modified by the politicians. It would be reasonable, he suggested, to allow a smaller margin for contingencies than in 1978-83. Moreover the cost of buying back into the state scheme was unnecessarily favourable.

The private pensions industry has been strongly pressing that no more than a "neutral" change should take place, namely a reduction of ½ per cent in the rebate. Anything more would cause pension schemes to undertake a fundamental reassessment of the original contracting-out decision, causing undesirable disruption. On the other hand, the TUC has been pointing out that if the rebate is too generous it means that contracted-out employees are being subsidised by those employees still in the state scheme. The political edge to this comes from the fact that white-collar employees are more often contracted out than their blue-collar counterparts.

In the event the Government appears to have opted for a straightforward compromise. The Government Actuary's suggestion of a lower contingency margin—because, for instance, some of the inflation risks can now be virtually eliminated by investment in indexed gilt-edged—has been overruled. According to the Government Actuary's calculations, the contingency margin for 1983-88 will be even a little higher than for 1978-83.

Inadequate

On the other hand the occupational pension schemes have not received all they wanted—although there was clearly a strong element of political horse-trading rather than actuarial science in their claims. In the past few years investment has gone much more their way to make the cost of contracting out look rather cheap (though this may not always be true) and employers are now further helped by the weighting of the extra contributions towards employees.

That the private pension schemes have negotiated this hurdle so comfortably now adds to the responsibility upon them to make rapid progress in the areas—notably inadequate transferability and lack of inflation-proofing—in which their *deficiencies are becoming increasingly serious.*

ECONOMIC VIEWPOINT

Why this could be the year of an oil-led recovery

By Samuel Brittan

MUCH the most important recent development for the world economy has been the shake-out in the oil price. The stagflation from which Europe and North America have suffered since 1973 originated in the two oil price explosions associated with the Yom Kippur war and the deposition of the Shah.

These may not have been the ultimate cause—the first oil explosion coincided with the culmination of an inflationary boom in the West. But they did provide the mechanism for most of the things that went wrong.

The first explosion which took the oil price from $2 to $3 a barrel up to $10 to $11 a barrel was followed by a rise in the OECD inflation rate from 5½ per cent to about 13 per cent. It then required a painful recession and a recovery which left output and employment well short of earlier trends to bring inflation back to 7 or 8 per cent by 1978. There then followed a further rise in the oil price to $35 to $40 which was associated with a reacceleration of the world inflation rate *to peak of 12 per cent in 1980.*

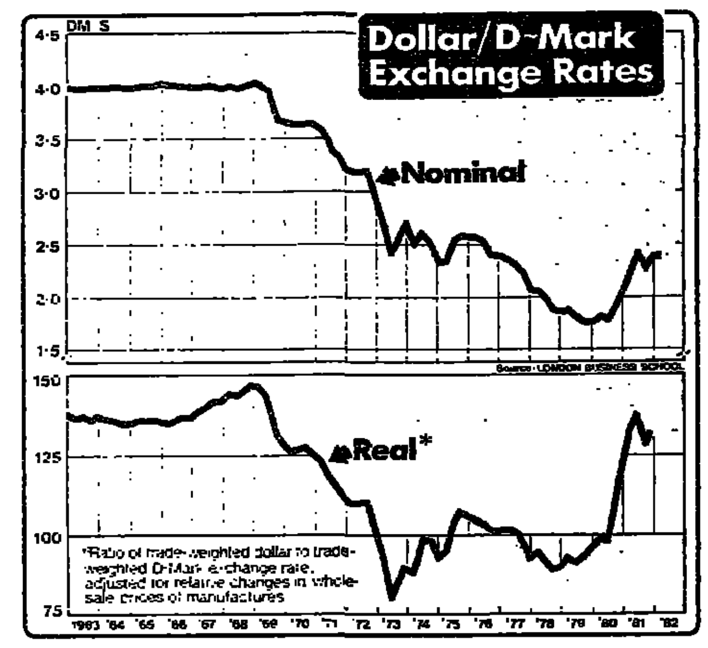
It has taken a further recession and still more unemployment in the Atlantic world to lower inflation again to about 9½ per cent. The stagnation aspects can be summarised by the halving of the growth rate and the doubling of the unemployment rate which have occurred in the industrial world since 1973.

There are many reasons for believing that growth rates were likely to fall and unemployment and inflation rates to rise, quite apart from oil. Indeed, they had already begun to do so in 1967-73.

But just as higher oil prices aggravated all the other difficulties, a lower oil price should ease adjustment. The beneficial aspects for the international economy far outweigh any trivial British Exchequer embarrassment arising from lower oil revenue receipts.

An increase in oil prices works like an increase in VAT paid over to a world government which does not spend the revenue raised. The transfer of purchasing power from oil consumers to oil producers is a shift from a high-spending group to a group which, on balance, has a low propensity both to consume and to invest domestically.

On the other hand, the knock-on effect on the general price level increases inflationary expectations and makes it extremely hazardous to apply an old-fashioned Keynesian corrective, via higher budget deficits and increased monetary growth, on the scale required to remove recession.



❝ The beneficial aspects for the international economy outweigh any Exchequer embarrassment arising from lower oil receipts ❞

The obsolescence of much capital equipment built at a time of low energy prices also reduces potential growth rates, quite apart from the difficulties created for demand management.

A fall in oil prices should reverse some of these effects.

As a rough guide, the London Business School estimates that a once-for-all fall of $5 in oil prices would have impact effect of minus 1.1 per cent on the average world wholesale price index of manufactures this year. There would be favourable impact of 0.4 per cent on world consumer prices by 1983. By that time world GDP would be 0.9 per cent higher and industrial production 1.2 per cent higher compared with what it would otherwise be.

In the UK the maximum GDP effect—a boost of 0.7 per cent—is expected in 1983. The maximum effect on consumer prices—a reduction of 0.8 per cent — is expected this year. This is expected to go into reverse by 1984-85 because of a lower sterling exchange rate, which is a more debatable assumption.

All these estimates assume that the oil price drop is once for all, and that, starting in 1983 the gradual upward move in both nominal and real oil prices is resumed. If there are, nevertheless, further falls, the arithmetic can, very roughly, be repeated all over again.

As a country more or less self-sufficient in oil, the UK will not achieve the major net gains from the oil market changes which large net importers, such as Germany and Japan, can hope to receive. Nor does it stand to lose like the large oil exporters of the Middle East.

British consumers will however gain from lower energy costs, as will British industry. The stimulus to world domestic real demand will also help British industry.

The £1½bn quoted by Mr Jock Bruce-Gardyne, the Economic Secretary, for the adverse effect of a $5 oil price cut on official revenues, is strictly a gross figure. After taking into account the feedback effects from faster growth and any possible exchange rate depreciation (which raises the sterling value of a given dollar price), the net impact may be more like £½bn.

But whatever the exact figure, no one apart from Sir Geoffrey Howe need weep tears because he has less revenue to "give away." British citizens will gain more than the equivalent of any forgone tax concessions, but without the good offices of the Chancellor. To ask Sir Geoffrey to "ignore" the oil revenue loss in forming his Budget judgment is to ask him to give industry and consumers the same boost twice over.

The implication of the recent and unexpected plunge in oil prices for the Budget is that an across-the-board (as distinct from a regionally differentiated) cut in the National Insurance Surcharge has a lower priority, as some relief is coming in any case for industrial costs. The case for budgetary moves with a direct beneficial impact on prices has grown. An example would be not to valorise excise duties in line with past inflation. The combination of lower oil prices and direct budgetary action on other consumer prices would have a major beneficial short-term impact on the inflation rate. A credible forecast could then be given of the rise in the RPI falling well into single digits over the next 12 months.

How far will the beneficial impact of lower energy costs and improved world demand be offset by an adverse impact of lower oil prices on sterling?

The chart certainly shows a remarkable relation between the various stages of the post-Shah oil price explosion and the rise in sterling to a level which nearly caused a CBI riot in Downing Street. This was not so much due to the direct impact of oil on the UK balance of payments as to the portfolio preferences of newly enriched Opec countries. They were attracted by the currency of a country self-sufficient in energy and offering reasonable political stability.

The impact of a lower oil price on sterling will not necessarily be a reversal. Opec producers have no more net surpluses to invest; but they may not run down their existing sterling holdings if they have reasonable confidence on other grounds.

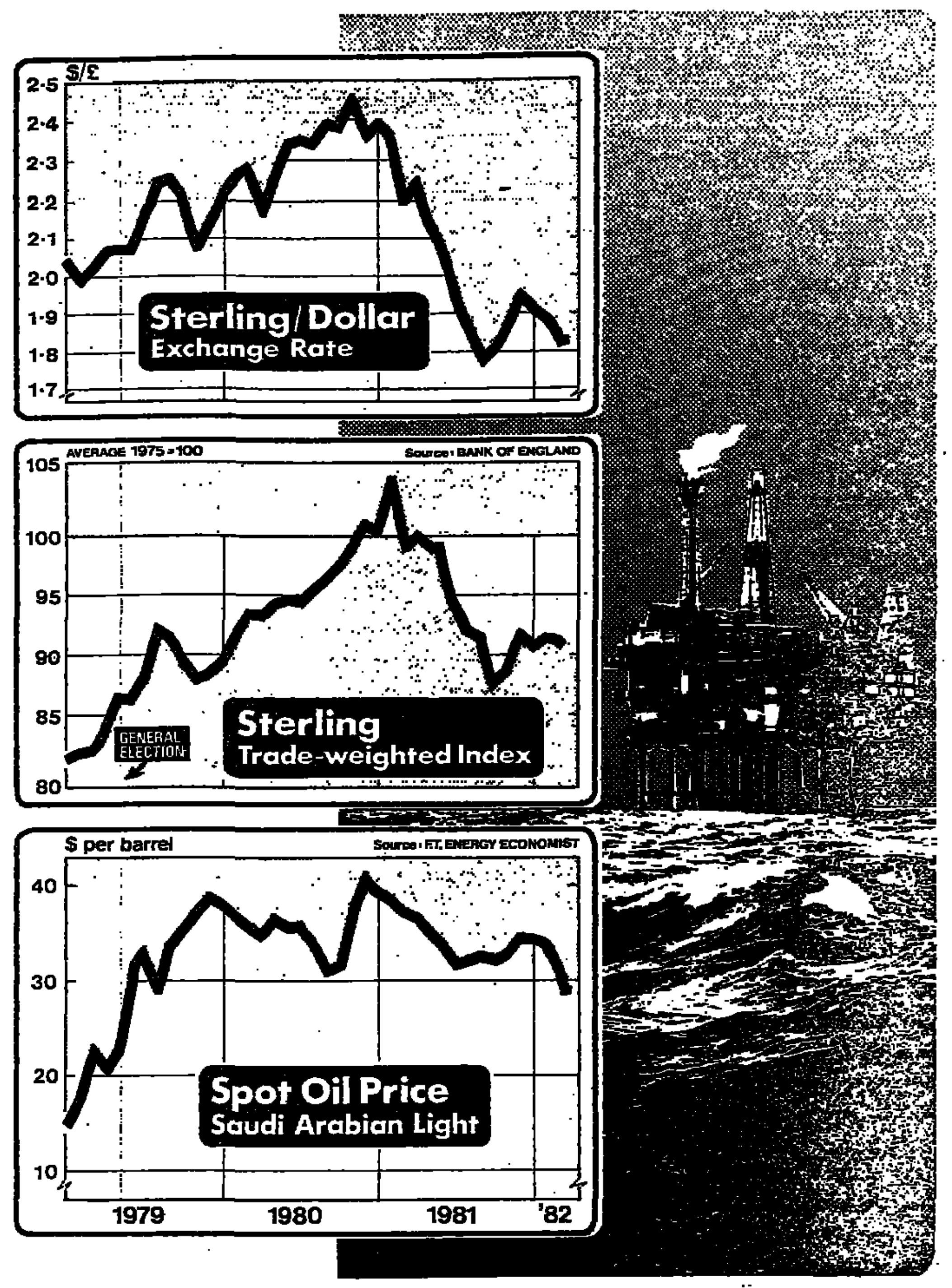
Sterling could, however, be on a gradual downward trend, quite apart from oil. The effect of the oil shake-out, together with the recent fall in other commodity prices and components (measured in terms of a currency basket), will be to allow such a fall to take place without the inflationary impact otherwise to be expected.

The parity relationship which looks most vulnerable is not sterling but the dollar against the D-mark. The rise in the real dollar exchange rate against the German currency is on the same scale as the earlier rise in sterling which caused so much alarm. It probably does more to explain the unexpected severity of the American recession and the fall in U.S. inflation than most American economists realise.

It is true that the rise in the dollar against the D-Mark started from a dollar level which was very low compared with the 1960s. But we should not forget that the over-valuation of the dollar against the D-Mark was a theme song of U.S. diplomacy in those distant years.

The one clear conclusion to emerge is that exchange rates are once again being strongly influenced by real forces, such as trade, as well as the monetary ones, which have recently predominated. The attempt to use exchange rates as a rough guide to monetary policy, whether in Germany or in Britain, because of a distrust of the domestic indicators is therefore coming to the end of its usefulness.

To take full advantage of the improved international climate, governments and central banks will have to switch their financial policies towards domestic priorities. In particular they will have to take up again monetary and fiscal objectives as a means of regulating total cash spending in their economies and not rely on an unofficial exchange rate target to do their work for them.



Bob Hutchison

Men & Matters

Reed carefully

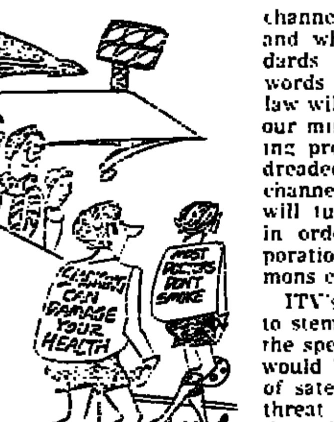
Is Reed International clearing the decks for action? After a couple of painful years of corporate readjustment and public soul-searching Reed boss would there be another description?) Sir Alex Jarratt is shedding half his job to Leslie Carpenter. The new man moves from the top post in Reed Publishing and Printing Product area to be group chief executive in the autumn. Jarratt remains as chairman and thus the plotter of Reed corporate strategy.

For a group whose tradition is that of a central strong man —Cecil King and Lord Ryder have held the post in the past— the break is considerable. Tongue in cheek Jarratt wistfully talks of being 58 and anxious to make plans for the future. Carpenter is 54.

For those with a quick eye for the small print the news was sign posted a month or so ago when Sir Alex winkingly told the Association of Corporate Treasurers: "For a company as large as Reed, the unchallenged hunches of one executive for small group of them) are unlikely to produce a coherent strategy with which the rest of the company can identify and can operate."

Jarratt's problems over recent years have been well enough aired. Reed had leapt into a swallow dive of expansion in the seventies only to discover that someone had emptied the pool. Jarratt is disarmingly frank about the experience and self-effacing about the managerial gymnastics that helped Reed avoid the cement. Now, says Jarratt, "we have got ourselves into a good state. We have to think of the longer term."

He denies that the splitting of his job into two means a move towards greater centralisation at Reed but agreed that the days of consolidation might be over. *Time for expansion perhaps? If* my telephone had been armed with video, I swear I would have seen a wink.



"I believe they're sponsored by the Government!"

Star gazing

Spare a thought on this day of spaceage television revelations for the Independent Broadcasting Authority and its numerous charges in the busy world of commercial television. ITV is gritting its teeth in anticipation of an announcement from Home Secretary William Whitelaw which will give the BBC the lion's share of Britain's new satellite age. Crossed fingers and firmly clutched rabbits' feet are the order of the day in the Authority's glossy Knightsbridge office suites in the hope that the energetic Whitelaw will have a last-minute change of mind.

Meanwhile, the Authority is gathering its forces for a last-ditch stand. It is urging that no final decision be taken until *there has been full Parliamentary* debate about how the two channels are to be programmed and what their technical standards should be." In other words it is hoping that Whitelaw will slip the words "it is in our mind" or "we are considering proposing" in front of the dreaded allocation of space channels to the Beeb. Then ITV will turn out its lobby armies in order to scupper the Corporation's chances in the Commons committee rooms.

ITV's embarrassment appears to stem from a misjudgment of the speed at which Government would be converted to the idea of satellite broadcasting — the threat of foreign superiority in the field helped to do the trick —and too much agonising over the impact that such programmes would have on ITV, the gestating Fourth Channel and Peter Jay's breakfast television. As late as Christmas it was generally felt that ITV was against any such new fangled *ideas as satellites and* it was only a week ago that the Authority completed its own somersault and produced ideas for an ITV service.

Whatever Whitelaw has to say today — unless the rabbits' feet work — the IBA's chairman Lord Thomson of Monifieth and his about to retire (and who will get the job?) Director General Sir Brian Young are unlikely to accept that the battle is over.

Heavy hands

The path of Governmental publicists does not always run smooth. For example, the recent boasts of free and open debate about the controversial issue of heavier lorries ran into a bit of tricky waters recently.

Mr Fionn Holford-Walker, secretary for the Council for the Protection of Rural England and, needless to say, an opponent of heavier vehicles on UK roads, was pleasantly surprised to receive an invitation from the Department of Transport to visit the Transport Road Research Laboratory in Berkshire for a Press conference on the lorry subject. He was delighted to accept.

When the final check came over who might be attending, however, the Department was less than amused. Was not this the same Holford-Walker who had battered its spokespeople at a previous conference in December? He was thus telephoned on the eve of the gathering and told that the invitation was a mistake. So what, replied the rural campaigner. "I'm still coming." "Are you a member of the National Union of Journalists?", asked the Department, a question with implications that suggest desperation

In the absence of agreement on the issue the wily Holford-Walker simply turned up. He was only admitted on declaring (a) that he would not hog the questioning and (b) that he would refuse to be interviewed by BBC-tv. After some verbal fisticuffs he agreed. Last night he seemed unsure whether honour had been satified. "I think it is a pretty poor show," he mused.

Naughty, naughty

Those custodians of moral values, our Ministers, seem to be falling over each other in their keenness to tell risque jokes. After the Chancellor's remarks on economists not knowing any women, we now have Lord Carrington telling of the sailor who staggered back on board having spent six months' earnings in 48 hours. "What happened?" the ship's mate asked him. "Part went on women and part went on drink," replied the sailor. "The rest I spent foolishly."

Our Foreign Secretary was speaking in Hamburg just before setting off for Africa. The Reeperbahn obviously still casts its spell.

Observer

هكذا من الاصل

UK FOOD COMPANIES IN THE EEC

A grand design turns sour

By Jeremy Stone

Around the time that Britain joined the EEC on January 1, 1973, many UK companies hastened to acquire "bridgeheads" on the Continent. The take-over of a Continental company was seen as the quickest way to establish a base in an area expected to provide profitable growth. As it turned out, many of the acquisitions were poorly judged. The experience of British food companies illustrates the pitfalls.

IT WAS General de Gaulle himself who complained at the impossibility of running a country which produced 2,000 different kinds of cheese. Despite this warning, there were plenty of British food barons who thought in the early 1970s that Britain's impending membership of the Common Market would present a golden chance to go in and sort this confusion out.

The chairman of J. Lyons summed up the mood in 1973 when he told the Paris Bourse: "Food industries on the Continent tend to be *on a smaller scale* than in the UK and can benefit from the access which we can *provide* to financial, administrative and technological resources—and also to our experience in large-scale production, consumer-orientated marketing and industrial logistics, which are needed to carry the business forward."

British food companies piled in, investing on the grand scale. As often as not they burned their fingers.

The ill-fated Lyons spent £51m on meat businesses in France and Holland. Reybier, the French company, was a real hot potato. A remorseless loss-maker, Reybier was sold to Unigate after years of surgery. And it was still a "turn-round situation" when Unigate passed it on—to a French buyer this time—at the end of 1980.

Cadbury Schweppes was another heavy spender, investing more than £20m between 1972 and 1975. Some of those investments paid off reasonably well; Cadbury now has a profitable Continental turnover of approximately £100m. But some projects had to be completely written off, including a Spanish brewery and a jam and spirits business in Italy.

From the beginning, profits in Europe were more elusive than had been expected. Retreats were always frequent. And in recent months a new withdrawal has been under way; Huntley & Palmer, Brooke Bond and Unigate have joined the list of companies selling off part of their Continental operations.

"Almost everyone who went in 10 years ago would now be gravely *disappointed*," according to Alistair Mitchell-Innes, a director of Brooke Bond.

He points out that there are few international tastes, and not many foods are as classless as baked beans in England.

Moreover, a *solid* base is necessary to compete effectively: "You have to remember that there are plenty of efficient Continental competitors, including groups like Nestle and Unilever with well-branded local companies in every market," according to Mr Mitchell-Innes.

The experience of company after company echoes these themes of the need to take pains over regional markets, but there is often more to the story than that when things go awry:

- Manufacturers *margins* have always been tighter on the Continent than in the UK because—*in France and Germany most* markedly—farmers have more political muscle than in Britain:
- In the past *few* years *the* balance of power has progressively tilted in favour of the grocery retailers. Bad enough in itself, because it directly squeezes margins, this shift has also led to:
- a more intense battle among manufacturers, as they scramble for a large enough share of the market to exert pressure on the grocers;
- The need to earn a respectable return on equity often weighs more heavily on a UK quoted company entering a foreign market than it does on *private local companies* which are already established there.
- Miscalculations about the likely rate of economic expansion have more than once proved crucial. Investments made *in Italy or Spain with an eye* to the rocketing demand of the 1960s often had to be *written off completely after the* world changed in 1974.

As far back as 1968 Bibby, the *Liverpool animal feed group*, was looking at the Italian industrial boom and formulating an ingenious plan. Bibby's theory was that in a relatively undeveloped economy—and one which was catching up fast—rising wages would lead to higher consumption of high-grade food; less pasta, more protein — particularly eggs, poultry and pork. Riding up this "protein escalator" looked like a way of growing even *faster than the Italian economy.*

Cip-Zoo—the first word is pronounced "cheep"—had a significant share of local markets for chickens, eggs (shell and liquid) and had decided to go in for large-scale pig multiplication. It seemed ideal when Bibby bought a controlling interest in 1969.

Cip-Zoo went wrong from the start. For one thing, no sooner had Bibby arrived in Bresica than the dynamic Italian economy went into recession. In the first half of 1970 Cip-Zoo was largely responsible for pulling Bibby into an overall loss. Bibby's chairman and managing *director* both *resigned*.

Although their successors tried to put things right, by 1974 Cip-Zoo was going seriously wrong again. Italian price controls and heavy dump*ing of Yugoslav beef proved just* too much, and Bibby sold the business at a book loss of nearly *£0.5m*.

Huntley and Palmer's participation in the German marshmallow industry was even briefer than Bibby's experience with Italian broilers, but just as painful.

Huntley's chief executive, Dr Keith Bright, knew that the Dickmann business needed a *certain amount of rationalisation* when he bought it in August 1978. Over the next two years he duly cut out three of its five factories.

The main attraction of Dickmann had been the network of agents through which about 70 per cent of its products were sold. Market research had indicated that this network would be able to carry H and P's British biscuit lines past the normal defences of the German retail system. The plan failed—in part because sterling became so overvalued in 1979 and 1980.

*Brooke Bond's recent deci*sion to pull out of Continental food manufacturing ends an *involvement which stretches* back to the 1860s. Brooke Bond's merger with Liebig in *1968* was primarily intended to create a more powerful UK grocery combine, putting Brooke Bond's *tea* brands together with Liebig's formidable Oxo.

It was rather a secondary objective to acquire a broader European base, though Liebig's packet soups and meat extract *lines* certainly provided one. But when in 1970 Brooke Bond bought a similar business in Germany—Jokisch—it was a conscious attempt to strengthen the group's position on the Continent.

Jokisch, according to Brooke Bond's finance director Harry Somervill, was a classic case of *inability to deal adequately* with the German retailers from a modest market share (in "fairly down-market" canned soups and snacks).

Occasionally perseverance is rewarded. United Biscuits bought a Spanish bakery — Productos Ortiz—in 1973, when the Spanish economy was running at full tilt. "You could sell practically anything; it did not matter what you made," said Charles Bystram, the *director of UB who was re*sponsible for Ortiz.

"All that changed after the oil crisis. *In 1974 Spain* became a buyer's market and Ortiz had the wrong products."

Ortiz was then producing standard types of Spanish bakery, mostly of a shelf-life too short to permit efficient distribution on a national scale. A major priority was to rationalise the product range, reducing it to a few strongly identifiable branded items of *longer life.*

After buying out UB's local partners, replacing the management, redundancies, a factory closure — and considerable hard work — Ortiz has come round.

Success on a pan-European level is a hard slog, because it demands that a management repeat this sort of detailed "*tailoring*" *over and over again.* The investment of time and capital needed to make it work *is vast.*

Rowntree Mackintosh has been expanding in Europe since the *mid-1960s*. Rowntree's Continental operations now employ capital of around £75m, and EEC turnover in 1981 was £150m. Results have not been significantly different from breakeven so far.

"At some point we will have to start expecting to make a return on the investment" said Lindsay Mackinlay, who heads the group's European division, "but as yet we have not altered our policy of building up the brands."

Operating on a smaller scale in just a few locations may not satisfy the high-volume ambitions with which many groups set out. But the chances are better.

On this more modest plane things can sometimes even go better than expected.

In 1980 a director of Robertson Foods described his French company—Peny—as "a nice little business. It makes rather unattractive tinned snacks which the French buy for some reason I can't understand."

When Avana took over Robertson last year, Peny was probably regarded as a marginal activity which Avana expected to chop.

"Twelve months ago I'd have dreaded owning it," said Avana chairman Dr John Randall. "Now we are delighted with it.

"And those snacks . . . The point is that in the French housewife's hands basic canned convenience foods can be *turned into* a gastronomic delight. *They don't just open* the can and eat what comes out."

"We should have tried a different approach for their products—they just don't seem to like chimps with a French accent!"

UK ACQUISITIONS ON THE CONTINENT

(number of companies bought)

1969	10	1975	10
1970	24	1976	5
1971	20	1977	6
1972	49	1978	11
1973	57	1979	11
1974	30	1980	12

Source: Business Monitor

Lombard

Don't write off Labour—yet

By Peter Riddell

THE Labour Party *may* be in long-term decline but the obituaries are being written too soon. Labour could still be a strong contender for office after the next election.

It *is* as great a trap to take too determinist a view of political trends as it is to exaggerate the significance of the latest incident—describing every by-election as the most important this century. The main events in British politics have appeared inevitable only in retrospect, not at the time. In the mid-1880s, for example, it did not appear immediately obvious that the Liberal split over Home Rule would lead to nearly two *decades of dominance by the* Conservatives. The Liberals could have re-united or a centre party might have been formed. Much depended on the personalities of Gladstone and Lord Salisbury.

Similarly, the pattern of realignment remains uncertain now. A strong case can certainly be made for the demise of Labour as a potential governing party, as has been debated in publications of the left such as *New Socialist* and *Marxism Today*. The argument is that class links have broken down in Britain so that the proportion of manual workers identifying themselves as working-class and voting Labour has declined substantially.

These trends have worked against Labour, especially as its political base has narrowed. The takeover of constituency parties by the left, the constitutional changes, the weakness of the unions and the election of Mr Michael Foot as leader have all produced a position where the running is made by the hard-left. The centre/right does not have the conference votes to reverse the *shift* and Mr Foot is unwilling to support the exclusion of the far-left. The result is likely to be a marked shift to the left in the Parliamentary Labour Party after the next election.

All does not add up to a particularly attractive electoral package and it is hard to see how, or when, the Labour right *can successfully counter-attack.* But Labour still has some residual strengths. With the public squabbling now diminished, the party's standing in the opinion polls and at local elections has improved since last autumn. Consequently, shrewd local activists, even in some inner London boroughs, are not nearly so pessimistic about Labour's chances in the May local elections as they were a few weeks ago.

More fundamentally, Labour still remains the party of the (admittedly shrinking) working class. A Telephone Survey Research Unit poll (for the BBC-Agenda programme and the Sunday Standard) in Glasgow's Hillhead showed a continuing strong positive identification with Labour. In contrast, the SDP/Liberal Alliance benefits in part from protest votes. While the SDP is attracting support from manual workers, it remains rooted in professional and managerial groups.

The Alliance's *appeal* is generally because it appears more credible as a party of *power than the Liberals did on* their own. But this support is vulnerable if the momentum of *electoral success is checked*, notably if Mr Jenkins fails to win at Hillhead. This could *weaken support for the Alliance* in the May elections as well as leading to a divisive SDP leadership contest and strains with the Liberals. In turn Labour and the Conservatives would benefit in the run-up to the general election. And even if Labour's share of the total vote drops, its concentration of support in certain regions will ensure a sizeable number of seats.

The SDP would obviously not be *finished if Mr Jenkins fails* to win at Hillhead—and he still remains the narrow favourite in a *tight* contest. But the SDP's prospects would be seriously damaged if he lost. In short, there is all to play for. Instead of the inevitable demise of Labour and its replacement by the Alliance, there is far more likely to be a three party system with a significant centre group of uncertain size. There may be a confused period in which chance and individual personalities are as significant as long-term social trends.

Letters to the Editor

Benefits + leisure = more attraction than work

From Mr B. McCall

Sir,—Richard Layard's suggestion (February 24) for job subsidies for the long-term unemployed would undoubtedly be a strong incentive for employers to take on extra workers. Unfortunately, the very forces which make acceptance of his first suggestion probable militate against acceptance of his *second, at least by those who* matter most, namely the unemployed workers themselves.

"There will still be many long-term unemployed," writes Richard Layard, "who would be happy to work for little more than their unemployment benefit." This appears to reflect a Marshallian optimism with regard to human nature and man's willingness to work. Adam Smith reminded us that it was not from the benevolence of the butcher that we could expect our dinner, but from his regard to his own interest.

I suspect the unemployed British worker (and his German counterpart!) has long since discovered that it is indeed in his interest to apply himself to "environmental improvement" (house decoration and renovation, etc)—not, however, in the manner outlined by Richard Layard but by moving into the underground economy. To expect him to apply himself to the same tasks with equal energy for "benefit plus £15 a week" is unrealistic. Even if we disregard the possibilities offered by the underground economy, those who are motivated by self-interest (and who isn't?) would surely find benefit plus leisure a more attractive alternative.

Brian McCall,
FB02 der Justus-Liebig Universität,
Licherstr 74,
Giessen, West Germany.

From Mr J. Wilkinson

Sir,—I refer to Richard Layard's article of February 24.

"Any measures to increase employment will stimulate inflation." True, if you make a "dash for growth" with 1 per cent unemployment; not true if you go for steady growth with 12 per cent unemployment.

"So the moral for policy design is: Generate the least possible inflation for any given level of GNP. This calls for special measures like job subsidies and schemes of supported work for *the long-term unemployed and for youth.*" Wrong. All subsidies distort the economy. The only way ahead is to control demand through the Budget and through monetary policy and to transfer more resources from the public to the private sector.

Richard Layard's way is the road of the bureaucrat.

Jack Wilkinson,
Orchard Edge,
8, High Piece Crescent,
Over, Cambridge.

Hoover's tale of co-operation

From Mr T. Rowlands, MP, and others

Sir,—We wish to bring to the attention of Financial Times readers the following points regarding Hoover UK and, in particular Hoover Merthyr Tydfil, as a necessary corrective to Mr Jason Crisp's article (February 26).

First let us nail the hoary old one about absenteeism. Absenteeism (and that includes individual *holiday* entitlements) is currently running at about 6 per cent. References to some ancient percentages are wholly misleading and unnecessarily damaging.

Who would have guessed from Mr Crisp's article that for 30 years (1948-78) not only has Hoover UK financed itself but remitted heavily dividends to the American shareholders?

When the problems of the UK market surfaced in the late 1970s, management and the trade union movement at Merthyr *joined* together in a massive exercise to cut costs and improve productivity, including a two-year wage agreement to provide stable costs. In communities of traditionally high unemployment so dependent upon Hoover this was both a difficult and painful process but 3,000 jobs have been sacrificed in three years with minimal disruption of industrial relations. In proportion to the size of the plant that job loss has been greater than anything experienced at British Steel and BL.

Mr Crisp failed to put his figures and charts into the context of an overall decline of UK demand for washing machines—13 per cent less in the last two years or so. Our factory is now efficient, productive and capable of making many more machines at a competitive price. What we now need is a Government *that understands the needs of* industry and manufacturing and in particular, the need to stimulate *demand for us and all UK* domestic appliance firms to survive and grow again.

Ted Rowlands,
District Secretary Amalgamated Union of Engineering Workers,
Merthyr Tydfil;
W. Bish,
works convenor AUEW, Hoover;
E. Bish,
chairman shop stewards,
AUEW, Hoover,
House of Commons, SW1.

Studying industrial relations

From Professor Hideo Totsuka

Sir,—The recent threat to the future of the Social Science Research Council gives rise to anxiety among social scientists overseas. For the past four years I and my colleagues have been engaged in a comparative study of industrial relations in the Japanese and British car and steel industries. We are already gaining valuable insights into possible future trends in management/labour relations in Japan. The British end of our work has been based in the Social Science Research Council's industrial relations research unit at Warwick University. Quite apart from the internationally outstanding reputation of the work of this unit, it has provided a base whose independence from employers, unions and government has been absolutely essential for our gaining research access.

If the independence of funding of *such a well-organised* research unit, as the SSRC's IRRU were threatened it would place in jeopardy international efforts to gain a deeper understanding of industrial relations problems and the roots of economic efficiency.

Hideo Totsuka,
University of Tokyo
Institute of Social Science,
Hongo, Bunkyo-ku,
Tokyo.

Appraisal teams for company analysis

From the Joint Vice-Chairman, Society for Long Range Planning.

Sir,—The need for the investing institutions to be able to analyse the strategies and long-*term performance of large* companies has been emphasised in a timely manner by Sir Arthur Knight (back page, February 22). Much of the weakness of British industrial performance may be attributed to the tyranny of the annual report and accounts, which can often restrict planning horizons, especially in times when profits are under pressure.

It would be tiresome to give more than a passing reference to the example of Japan, where industrial strategy is linked to government objectives, or Germany where the steadying influence of banks' shareholdings enables companies to plan through temporary setbacks. It is sufficient that a voice has been raised to call for a major improvement in the quality of strategic planning in large British companies and for their strategic performance to be appraised by outsiders with practical experience.

Doubt has been raised in your leader (same date) whether the appraisal teams recommended by Sir Arthur would be effective and whether staff of sufficient quality could be found. The practice of statutory audit of accounts is well established and has proved on balance to be effective and of value to shareholders. There is no reason why this process on an appropriate scale should not be of value in *planning, subject to* the establishment of basic principles and a body of good practice.

Our work leads us to believe that *the necessary qualities of* staff are available and that a combination of experienced general management and the analytical skills and techniques of practised planners would be a powerful tool to improve the performance of large companies, provided that the institutions are willing to use the results to create a more meaningful relationship with the directors of major companies, in which they have invested, and to consider their investment not as a temporary lease but as a well chosen and maturing freehold.

A. H. T. Davies,
Society for Long Range Planning,
15, Belgrave Square, SW1.

Pasta master—but of what diameter?

From Mr C. Dodd

Sir,—I refer to the snippet headed "Pasta master" in the News Summary of February 15 as follows: "British telephone engineer John Blakesley, 23, won a New York holiday for two by eating 100 yards of spaghetti, in 91 seconds in a London restaurant . . ."

As I live and work in the land of "spaghetti" I would be grateful to know what type of spaghetti Mr Blakesley ate; the normal spaghetti has a diameter of about 1.6 mm but there are types of *very very* thin spaghetti.

C. J. Dodd.
Metalli Preziosi SpA,
20037 Paderno Dugnano,
Via Roma 179,
Milan

General Accident up 15% to £105m

A NEAR 15 per cent rise in pre-tax profits in 1981 *from £92.2m* to £104.9m is reported by **General Accident, Fire and Life Assurance Corporation,** despite underwriting losses nearly doubling from £37m to £52.9m. A 31 per cent advance in investment income from £119.3m to £156.8m more than offset this decline.

Profit available to ordinary holders improved 10 per cent from £65.3m to £71.9m, following a 20 per cent rise in the tax charge. Earnings per share increased from 39.8p to 43.7p.

Shareholders are rewarded with a 20 per cent improvement in the overall dividend from 13.5p to 16.25p per share, a dividend that is still covered nearly three times.

General premium income worldwide advanced by nearly 20 per cent from £876m to £1.04bn — the first time that it has passed *the £1bn mark*. The underlying growth, excluding currency movements was 8.4 per cent. Similarly the underlying improvement in investment income was 19.3 per cent and the rate of growth in investment income has been decelerating. The solvency margin at the year-end was 56 per cent compared with 59 per cent at the end of 1980.

The deterioration in underwriting experience occurred in the group's overseas operations, while the UK in contrast showed a marginal loss of £100,000 last year against £2.4m loss in 1980. But business has not been good in the UK. Premium income rose by only 4 per cent from £424m to £440m and the GA is fighting to retain its share of the UK market.

Results were hit by the adverse weather in December which cost GA around £6m—with a similar amount likely to be paid out for January's bad weather.

However, the important motor account showed a profit last year of £1.9m against a loss of £3.2m in 1980, reflecting the strong premium increases made in 1980 and a slowing down in the rise in *claim costs. However,* the GA, the largest motor insurer in the UK, lost market share and it has not increased motor premiums since August 1980 in an effort to recapture the lost market. It reports new business picking up towards the end of 1981.

Elsewhere in the UK, losses on domestic property were sharply reduced, despite the bad weather, and the industrial fire account produced a satisfactory profit. The traders account was poor, while other classes broke even.

In the U.S., a fourth quarter *underwriting loss of £2.1m sent* the deficit for the year up from £4.5m to £17.6m, on premium growth of 7 per cent at $667m. *A fourth quarter operating ratio* of 102.6 kept the year's ratio at 104.24 a figure below the industry average. Losses were reported in all major classes, with the private auto account contributing the major part.

Losses in Canada tripled from £3.6m to £11.3m despite substantial premium increases, while in Australia losses doubled from £5.5m to £10m. In both countries, investment income failed to cover these losses. Elsewhere there were improvements in Europe with a profit in the Netherlands and profits in the Far East, but losses in South Africa and *New Zealand.*

See Lex

Ultramar profits surge to £180m for year

FINAL QUARTER taxable profits of Ultramar Company moved ahead by £6.2m to £38.5m and pushed the figure for the whole of 1981 of this oil and gas exploration and production group to £180.2m, compared with a previous £126.3m. Total sales jumped by £453m to £1.39bn.

The oil and gas producing operations in Indonesia continued to be the major contributor to the "excellent financial results," Mr Arnold Lorbeer, chairman, says. The group also had stronger than anticipated performance from its Eastern Canadian and Caribbean operations.

He adds that with most of the group's earnings being in U.S. and Canadian dollars, results have benefited from the strength of these currencies when measured against sterling.

Mr Lorbeer says it is too early to forecast 1982 results. Return on invested capital for 1981 was 24 per cent and the group has averaged just over that for the past three years, and although it will be difficult to match the record results of those reported, he says that directors expect to continue to earn a good return on investments.

The group began an accelerated capital expenditure programme in 1981 which will continue through the current year and 1983 — capital spending *for the year amounted to* £148.8 (£54m).

The major items are the development of oil and gas fields in Indonesia and the North Sea, the modernisation of the Quebec *refinery, the construction of a* modern fleet of oil-bulk-ore carriers and a worldwide exploration programme to find additional oil and gas reserves.

"Our financial position has strengthened considerably over recent years. Some of the projects in this programme are being financed by loans and others are being met from our own resources," Mr Lorbeer states.

Trading profit for the year expanded from £141.7m to £199.1m and included a £17.1m release of provisions for refinery sophistication costs and future shipping losses no longer required. It was also after a £9.4m charge in respect of costs relating to employee pension schemes.

After tax of £57.6m (£52.8m) earnings per 25p share are given as 84.3p (69.3p) and the dividend is stepped up to 13p (11p) net with a final payment of 8p.

Total sales of oil dipped from 213,200 barrels per day to 209,600 barrels per day, oil refined increased from 82,700 barrels per day to 85,100 barrels per day, while oil produced was unchanged at 8,900 barrels per day.

There was an exchange loss this time of £1.9m (£0.6m) gain) and relates almost entirely to long term loans of individual subsidiaries repayable over the years to 1993 and reflects the *premium on forward exchange* contracts arranged to fix the cost of repaying SwFr 30m in 1985.

After this loss and corporation tax of £0.1m written off last time, the attributable balance came through ahead from £74m to £90.7m, of which dividends and advance corporation tax written off takes £20m (£16.8m).

Cash flow from operations was higher at £136.4m (£100.5m) and there was a £42.3m increase (£0.9m decrease) in working capital — as at December 31 *1981 working capital amounted* to £95.7m (£53.4m).

● comment

Ultramar shares have fallen significantly less than those of most oil companies in the recent disorderly markets for crude and products. They jumped 27p at *one point yesterday* to 405p following the sharply higher preliminary profits and the absence of a rights issue. Volumes are flat, as are profits in the dollar terms, but that is good going considering the 5 per cent overall volume decline in the Canadian market and losses in UK petrol distribution late in the year. Ultramar's huge production deficiency — it produces only 4 per cent of the oil it sells—has suddenly emerged as a bull point, although the group acknowledges it can risk the thrills and spills of the spot markets only because of the substantial underpinning of long-term contracted profits from Indonesian gas production. Net profits of this curious grouping of often unconnected production, refining and marketing operations have soared from £2.7m to £90.7m in the past 10 years on this unique formula, and the heavy investments being *made to double Indonesian* output and expand refining and marketing point to more of the same. However, until the big projects approach fruition late next year, the shares, like the underlying profits, may be rather dull. They settled back to 385p yesterday where the yield is just under 5 per cent.

HIGHLIGHTS

Lex looks at the Bank's activities in the money market yesterday as it attempted to stem the enthusiasm for lower interest rates before moving onto two company topics. **Consolidated Gold Fields'** profits have fallen a shade but there is a substantial amount of windfall profit and the underlying trend reflects the weakening of the gold price. General Accident has put up a resilient performance with a £12½m increase pre-tax and a 20 per cent dividend increase but there is a cautious statement. Finally the column looks at the increasing concern regarding the impact of proposed tax haven legislation.

Maxwell still interested in ACC

BY JOHN MOORE, CITY CORRESPONDENT

Mr Robert Maxwell, the publishing entrepreneur, said yesterday that he remained interested in making a bid for **Associated Communications Corporation.** Before making any move he would reserve his position until he had studied the offer documents *from Heron Corporation* and Mr Robert Holmes à Court's Bell Group.

"I am not saying I am going to make a bid. I am now waiting to see the offer documents which come out from Heron and possibly Mr Holmes à Court. During the currency of those offer documents, I will have something to say."

Explaining why he had made no further moves since he had approached the directors of ACC some weeks ago, he said that once Heron had taken the initiative through its offers and court room challenge to the bid by Mr Holmes à Court, there was nothing he or any other would-be bidder needed to do at that stage.

He was now "waiting to see *the colour of their paper,*" and stressed that his interest was "not a media exercise. I have bought some ACC shares through Pergamon." He declined to reveal how many but pointed out that he would not have had to disclose a shareholding of more than 5 per cent because the shares are non-voting.

Mr Maxwell declined to be specific about his ideas on ACC's value or his plans. "You do not ask the hunter what the bear looks like until he has caught him," he said.

"There are things in ACC which would not fit in with our *line of business,*" continued Mr Maxwell. "We are interested in the communications side. Video recorders have been spreading extremely fast. ACC has the technology and a great many rights to entertainment and educational material."

Mr Gerald Ronson, chairman of Heron Corporation, which is offering £49.4m for ACC, said yesterday that his offer document will appear next Monday or Tuesday. "If anyone else is going to bid they will have to make their move in the next seven days," he said.

He said that he had not been able to meet with the ACC board although he had made requests to explain his offer and talk about his plans for ACC. "I do not know whether they feel we have got the plague. We would like to discuss business philosophy, financial information *and obtain further figures.*"

He added: "I am concerned with meeting executives down the line. I want the people to stay with the business long term. We are in the business of developing businesses."

Mr Ronson said the board of ACC may be "frightened" to talk. "Obviously they have got plenty to frighten them. Mr Holmes à Court may be able to hold a pistol to their heads, but as far as I am concerned the past is the past. We are interested in the future. If we are going to put £100m of our money into the business, we are entitled to meet the people."

His plans for ACC would include "an orderly withdrawal" from its U.S. film interests and expansion of films in the UK. "The UK side has been neglected, both financially and in terms of energy. They have been too busy in the U.S."

He sees "a partnership" between ACC's UK film production interests and Central TV, where ACC holds a 51 per cent *shareholding.* "We aim to work with Central, making TV programmes as a partnership." He said that the IBA had already indicated that Heron is "perfectly acceptable."

"We do not feel we will have any problems with the IBA and if the worst comes to the worst we would accept the same terms they gave to Mr Holmes à Court."

He did not plan a major disposal of ACC's assets. No decision had yet been taken on the Classic cinema chain, and on the theatres side of the business "we would act as landlords rather than impresarios, leaving that side to independent producers." Heron plans to dispose of the Los *Angeles hotels.*

Mr Ronson intends to be chairman and chief executive of the group. Mr Jarvis Astaire, the businessman with interests in the entertainments world, would be brought in as a director and be allowed to hold 5 per cent of the company into which Heron would group the ACC activities.

Mr Ronson said that he hopes Lord Grade would become life president of ACC if it was taken over.

Mr Ronson said that he would like to meet Mr Jack Gill, the former managing director of ACC who is at the centre of a row over a record compensation payment of *£560,000.* "I have not met him. We still do not know why he resigned. But I would like to meet him when I am in the driving seat."

"The ACC business will return to profitability "as soon as we start running it," he said. "A lot depends on what is written off in 1981-82. But I see no reason why it should not be profitable in 1982-83."

Mr Ronson estimated that the court case which stopped ACC directors giving undertakings to accept Mr Holmes à Court's £36m offer in respect of 84 per cent of their voting shares, may have cost £500,000. If it is successful in its bid, Heron will be liable for around £375,000, "but this is money well spent."

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Campari Intl ......int	2	April 20	1	—	3.1
Canadian and Foreign	3.65	March 29	3.65	5.6	5.6
Consolidated Gold ...int	8.5	April 29	8.5	—	24.5
Fledgeling Investments	2.18	March 29	2.18	2.18	2.18
International Invest ...	2.55	May 5	2.55	4.3	4.15
Mercantile Inv.	1.88	April 28‡	1.25	2.8	2.52
Mercury Trans	42	April 19	51	42	51
Metamec Jentique ...int	0.5	April 23	0.6	—	1.3
Riverview Rubber ...int	5†	April 30	3	—	18
Solus Group ....int	0.53	—	0.53	—	1.23
Ultramar	8	—	7	13	11

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Gross Malaysian sens throughout. § Corrected.

Sturla to raise £1.7m through rights issue

BY RAY MAUGHAN

THE LEASING and asset finance group headed by Mr Robert Knight, **Sturla Holdings,** is to raise £1.7m through a two-for-three rights issue at par, 10p per share, underwritten by financial services group, Rowe Rudd.

Mr Knight said yesterday that Mr Jim Slater had agreed to sub-underwrite 2m of the 17.95m new shares to be issued through Yelverton Investment, which has recently disclosed a 5.63 per cent holding in founders and engineers, Lake and Elliot.

Sturla claims to have received "positive indications from leading *City institutions that in principle* they would be prepared to extend term loan facilities in excess of £50m to assist in funding new business."

"Negotiations will be actively continued to match on a time basis these funding credit lines with suitable new lending and *leasing* contracts up to eight times the group's capital and reserve base, thus leveraging the return on shareholders' funds," the statement added.

Net assets at December, adjusted for the rights issue, are shown at £4.74m on a pro forma base against £1.49m.

The issue is designed to broaden the capital base in order to "formulate on a sound financial footing" the considerable opportunities for expansion.

The proposed acquisition of Laganvale Estate in which Mr Slater was a major shareholder was designed to meet this objective but the deal broke down when the property group questioned the assumptions on which Sturla's profits forecast was based.

Sturla says its pre-tax profits for the 15 months to April 30 will reach £1.2m but Laganvale queried two film leasing contracts for *pictures* distributed by the troubled American Communications Industries.

Mr Knight said Sturla was considering two or three other *film contracts, with different* distributors, and stressed that the only unknown as far as the group is concerned was the size of its profit which, in turn, depended on the utilisation of capital allowances.

Gross profits from film distribution are set to reach £495,000 within the current 15-month period.

A dividend of 0.35p net per share is proposed and Sturla "is considering the possibility of *taking steps to procure the can*cellation of the existing share premium account "—showing a *deficit of £365.000 in the last* published accounts—" with a view to using the resulting amount to reduce the accumulated losses from previous years."

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1981-82 High	Low	Company	Price	Change	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
125	100	Ass. Brit. Ind. CULS...	125	+1	10.0	8.0	—	—
75	62	Airsprung	71	+1	4.7	6.6	11.3	15.6
51	33	Armitage & Rhodes ...	45	—	4.3	9.6	3.8	8.5
205	187	Bardon Hill	198	−1	8.7	4.4	9.6	11.7
103	100	CCL 11pc Conv. Pref....	103	+3	15.7	15.2	—	—
104	67	Deborah Services	67	−1	6.0	9.0	3.3	6.3
131	97	Frank Horsell	130	−1	6.4	4.9	11.7	24.1
83	39	Frederick Parker	81	−1	6.4	7.9	4.1	7.9
78	46	George Blair	52	—	—	—	—	—
102	93	Ind. Precision Castings	95	—	7.3	7.7	6.8	10.3
106	100	Isis Conv. Pref.	106	—	15.7	14.8	—	—
113	94	Jackson Group	96	−1	7.0	7.3	3.0	6.8
130	108	James Burrough	112	—	8.7	7.8	8.2	10.3
334	248	Robert Jenkins	248	−2	31.3	12.6	3.4	8.8
61	51	Scruttons "A"	61	+1	5.3	8.7	9.4	8.7
222	159	Torday & Carlisle	159	−1	10.7	6.7	5.1	9.5
15	10	Twinlock Ord.	13½	—	—	—	—	—
80	66	Twinlock 15pc ULS ...	78	—	15.0	19.2	—	—
44	25	Unilock Holdings	25	—	3.0	12.0	4.5	7.6
103	73	Walter Alexander	77	+1	6.4	8.3	5.1	9.0
263	212	W. S. Yeates	228	—	13.1	5.7	4.3	8.8

Prices now available on Prestel page 48146.

BPC dividend hopes

The **British Printing and Communications Corporation,** formerly BPC and British Printing Corporation, hopes to pay a dividend this year for the first time in two years. Mr Robert Maxwell, deputy chairman, said at a Press conference. "I do not think shareholders will be very far wrong if they guess they will get a dividend for 1982, subject to unforeseen circumstances."

He has estimated that the company lost £4m before tax last year, compared to a loss of £8.1m in 1980. He said yesterday that it had returned to profitability *much sooner than anyone* expected.

BPC paid dividends totalling 3.5p in 1979.

improved by the end of the financial year.

Meanwhile, the net interim dividend is being held at 0.525p per 20p share—a final of 0.7p was paid last year.

Half-year turnover to December 31, 1981 expanded by 26 per cent to £3.48m (£2.76m).

Losses continued in the moulding department of the industrial products division but *the building products sector,* while suffering from the recession, performed significantly better. The lamps division did well and was on budget for the period.

Solus back in loss after six months

After moving back into profit in the second half of 1980-81 *Solus Group, the Dublin-based* manufacturer of electric lamps and neon signs, fell into the red again at the midway point of the current year, incurring a *taxable los of I£95,000,* compared with I£87,000 for the same months a year earlier. In the second half last year it returned *pre-tax profits of £120,000.*

The directors, who blame the increased loss on escalating costs which they were unable to recover by way of higher prices, say the group is in the middle of a cost reduction programme which will have a beneficial effect in the second half.

They hope that the position of the group can be materially

SPAIN

March 3	Price %	+ or −
Banco Bilbao	335	
Banco Central	354	
Banco Exterior	310	
Banco Hispano	322	
Banco Ind. Cat.	110	
Banco Santander	357	+2
Banco Urquijo	232	
Banco Vizcaya	375	
Banco Zaragoza	239	+1
Dragados	167	+2
Espanola Zinc	65	−1
Fecsa	60.5	
Gal. Preciados	47.5	+2.5
Hidrola	65.7	−0.5
Iberduero	50	−0.7
Petroleos	97.2	+0.2
Petroliber	94	
Sogefisa	14	
Telefonica	72	
Union Elect.	64	

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BIDS AND DEALS

ARA tops Sketchley bid for U.S. linen hire group

BY RAY MAUGHAM

PLANS ANNOUNCED by Sketchley at the end of last week to make a $40.6m (£22.2m) tender offer for the Means Services linen and garment hire group of Chicago ran into a major obstacle yesterday afternoon. The New York-based conglomerate, ARA Services, revealed that it had entered a definitive agreement to make an offer for Means at $37 per share, or $45.5m. ARA, which is capitalised at some $260m, is capping Sketchley's outlined terms by $4 per share.

The UK group calculates that ARA's statewide garment and linen hire operations contribute about a sixth of the conglomerate's $3bn annual turnover and competes strongly against Means in the mid-West.

Means' shares were suspended on Tuesday morning in the U.S. at $34.75 when a counter bid was known to be *imminent*. ARA declared its interest yesterday.

Means' net worth at the end of last year was $39.4m and its shares, according to Mr Gerald Wightman, chairman of Sketchley, had been languishing at about $23 "for several years" before the UK group's approach pushed the price up to $32 last Friday.

Mr Wightman said then that Sketchley was "fortunate to find Means" and added that otherwise "nobody credible had *looked* at it." He felt, at that point, that any counter from the big U.S. hire groups such as ARA or American Linen would face an *investigation* by the Federal Trades Commission.

Sketchley and its advisors believe that the merger of number two and number three in the U.S. linen and garment *hire industry* "*must* create the possibility" of an FTC investigation.

Under the Hart-Scott-Rodino terms of U.S. anti-trust legislation the FTC is expected to indicate its course of action 15 days after formal offer documents are posted, although it may ask for a further 10 days if more enquiries are required. ARA has five business days within which to post its formal offer and Sketchley expects to see that document early next week.

In the meantime, the placing of 4m Sketchley shares to finance the proposed tender offer, which has already been posted, has been completed although it will be cancelled if Sketchley withdraws. Mr Wightman stressed that "we have other lines of enquiry which are still open."

A. Walker plan nears completion

THE MUCH-POSTPONED plan by housebuilding, contracting and property group, Alfred Walker and Son, to privatise part of its operations and transfer 58 per cent of its assets to a new public company is coming to fruition.

The group announced yesterday that its activities in the South West, with the exception of Barratts Buildings, would go into the new company which would have quoted status. Holders of about 58 per cent of the equity in the existing company will be asked to agree to a scheme under which their holding will be cancelled in return for the issue of shares in the new company on a one-for-one basis.

The chairman, Mr Raymond Walker, and his son will be the only shareholders in the private company which will be called Waker Homes. The trustees of the Walker family settlements will receive 758,625 shares in the new company of which they will sell 524,999 shares, comprising 29.9 per cent of its equity, to Mr Jack Donachie, formerly of Chown Securities, and Mr Louis Peralta who is a director of the Grovebell Group of motor distributors. They will acquire the shares at 40p each.

These proposals, though, will only be effective if the scheme is approved and the Stock Exchange grants a listing for the new company's shares.

Dubilier in U.S. 'chip' venture

BY CARLA RAPOPORT

*Dubilier, the electric and elec*tronic component manufacturer, is set to apply research developed in the U.S. and European space programmes to the worldwide microchip market.

Through a $3m joint venture with Ion Beam Technologies, a two-month-old U.S. group that Dubilier helped to establish, it aims to develop and market equipment to make semi-conductors and microcircuits using liquid metal ion beam technology. Dubilier developed this process—which can focus metal ions with great precision—from space research carried out in Britain and abroad.

Mr Peter Cowell, managing director of the Oxfordshire-based company, said yesterday that the new technology would allow manufacturers to make much smaller micro-chips than are presently available.

"At the moment," Mr Cowell said, "chips are made with 1 micron spacing. This process will allow chips to be made with 0.1 micron spacing." A micron is a thousandth of a centimetre.

Robert Fleming, which is handling the deal with Ion Beam, has obtained commitments from investors to subscribe for up to $2.7m subordi*nated loan notes and convertible* preferred stock in the new company. Ion Beam is based in Beverly, Massachusetts.

Dubilier is investing up to $300,000 and holds conversion rights with an option to acquire a majority shareholding in Ion Beam at a future date.

Dubilier has been developing focussed liquid metal ion sources *at its Abingdon research facility* since 1978, in association with the Culham Laboratory of the Atomic Energy Authority and *Cambridge University Engineer*ing Department. The group acquired the exclusive worldwide patents on the process from the AEA *in 1978*.

"This was a bit of esoteric research from the space programmes that we realised had commercial applications," said Mr Cowell.

The research into ion engines had found that these devices provided an ideal means of attitude control in space by emitting beams of metal ions.

The technology developed by *Dubilier uses this concept to* produce extremely narrow beams of high purity metal ions which can be focussed with great precision.

Gerrard moves into U.S. market

ONE OF the City's leading discount houses, Gerrard and National, is set to make its first venture into the U.S. Gerrard announced *yesterday it will pur*chase a minority holding in Briggs Schaedle, a privately-owned financial institution based in New York.

Briggs is one of the smaller, primary dealers with whom the New York Federal Reserve Bank conducts open market operations.

Gerrard said the company specialises in dealing in U.S. Treasury Bills, Federal Government and agency Bonds, and Certificates of Deposits. It is thought that Gerrard's stake in the company will be between 10 and 15 per cent.

Gerrard will not be involved in the management of the company, but the two groups will cooperate in areas of mutual interest.

CAMBRIAN & GENL.

The recent capital reorganisation of Cambrian and General Securities has pushed up London Trust's holding in the company to over 30 per cent, the level at which a bid for the company is mandatory under Takeover Panel rules.

In view of the "temporary and inadvertent" nature of the interest, however, the Panel agreed yesterday that London will not be required to make an offer provided that its interest will be less than 30 per cent of the aggregate ordinary and capital shares outstanding at the final stage of the reorganisation on March 12.

GRINDLEY OF STOKE

Grindley of Stoke (Ceramics) in which Newman Industries holds a 99.2 per cent stake, has completed the merger of its two *operating subsidiaries,* Cartwright and Edwards and W. H. Grindley and Co., with another pottery company to form *Federated Potteries Co.* As a result Grindley now holds 19.1 per cent of the issued ordinary share capital of Federated Potteries.

Completion of the merger follows the approval by holders of Newman's 10½ per cent cumulative preference shares of a resolution to waive the borrowing restrictions imposed on Newman at the time of issue of *those shares. The merger was* announced on February 8.

The Stock Exchange will be asked to cancel the listing of *the ordinary and the* 9 per cent cumulative preference shares of Grindley, in which there is no active market, and to permit *dealings to take place in future* under Rule 163 (2).

RTD £0.44M ACQUISITION

RTD Group has acquired the business of BMG Engineering, *Swindon, Wiltshire, for £435,600* cash, which will be financed by arrangement with the group's bankers, including a medium-*term loan*.

The consideration is for the freehold property and plant and equipment of this company which handles sub-contract *sheet* metal work, machining, thread-grinding and the manufacture of punches, dies and accessories.

BMG was part of a larger group which went into receivership last December. For the 44 weeks ended November 30 the company *incurred a loss of* £153,000.

HEATH/MOTOLEASE

C. E. Heath has made an offer to acquire the 20 per cent of the issued share capital of Motolease not already held by the company. This will make Motolease — a major UK independent vehicle leasing company — a wholly-owned subsidiary of C. E. Heath.

Yesterday the shareholders accepted the offer. The consideration of the acquisition is being satisfied by the issue by C. E. Heath of £490,000 10 per cent unsecured loan stock 1988 and by a payment of £10,000 in cash.

The stock is not capable of being dealt in on any stock exchange. *Accordingly no appli*cation will be made to any stock exchange for listing or quotation of the stock.

BET/INTNL. FERRY FIGHT

British Electric Traction has acquired the 40.5 per cent minority interest in the equity *of International Ferry Freight* group for £2.2m. The remainder of the equity is already held by companies within the BET group.

Almost half (£1.01m) of the consideration was satisfied by the issue of 777,595 deferred ordinary shares, the balance being satisfied through cash and 8 per cent unsecured loan stock.

BALDWIN DIRECTORS COMPLETE BUY-OUT

The senior management of J. and W. Baldwin has completed the buy-out of the company. The acquisition price was around the net asset value and finance was provided by Lloyds Bank.

Baldwin of Winsford, Cheshire, has a turnover in excess of £7.5m p.a. It manufactures protective packaging materials, and *is the largest supplier of* padded bags and envelopes in the UK and the sole UK licensed manufacturer of "Jiffy" bags.

Baldwin management was advised by the merchant banking division of Lloyds Bank International.

Contract Papers' purchase

Contract Papers Holdings, a private UK company controlled by *Mr Christian van Hoorn, has* acquired the share capital and business of Howarth Smith Papers, a subsidiary of Domtar *Inc of Montreal*.

Total consideration is based on tangible net assets yet to be determined, but estimated at £4.4m. Mr van Hoorn *is a UK* businessman.

The combined business with a projected turnover of £30m in *paper distribution will become* one of the largest independent suppliers in the UK market. Contract's turnover is about £12m.

GEORGE WIMPEY EXPANSION

George Wimpey has purchased Edwards and Co (Longfield) from Gough Cooper, a wholly-*owned* subsidiary of Allied London Properties. Edwards is a builders merchant with a wide spread of business in Kent.

Allied London, which acquired Gough Cooper in October 1980, states that it took the decision to sell Edwards and Co as Edwards' business lay outside Allied London's plans for future *expansion*.

The acquisition, which has been effected by Wimpey Merchants (a wholly-owned subsidiary recently established to co-ordinate Wimpey's activities in builders merchanting) as a logical extension of their existing interests in the merchanting field.

JARDINE MATHESON COMPLETION

Jardine Matheson and Co has completed the acquisition of Bache Insurance Services Inc from the Prudential Insurance Company of America at a total cost not exceeding $30m.

The acquisiton is Jardine's first major commitment in the U.S. insurance broking market and marks another move by the group to extend its international networks in insurance broking.

Bache is the 11th largest insurance broker in the U.S. and for the year ending July 1981 earned brokerage of $30m and pre-tax profits of $5.5m.

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UK COMPANY NEWS

Owners Abroad profits £324,000 over warranty

FOR THE year ended December 31 1981 Owners Abroad Group has beaten its profit warranty by £324,000. The reasons were cautious forecasting and an "extremely good" last quarter, the directors explain.

Owners Abroad was introduced by a placing to the Unlisted Securities Market in January, and profits were warranted at not less than £1.25m. The operations cover the wholesaling of airline tickets and a straightforward tour operation.

It also owns a yacht in the Mediterranean providing upmarket accommodation. In the prospectus it was stated that the yacht represented 70 per cent of the company's assets by value.

It is still early in the current year but should bookings continue on the present pattern and keep in line with previous years, the directors would expect profits for 1982 to "comfortably exceed" those now being reported.

Turnover for 1981 came to just over £33m. Tax took £751,483 to leave the net profit at £823,124. Earnings were 1.3p.

The company was formerly known as Kintyre Tea Estates. It acquired Owners Abroad and Owners Abroad (Wholesale) on December 31 last, and then changed its name.

The pre-acquisition profits are not available for dividend purposes. Had those profits been available the directors would have recommended a payment on the enlarged capital of not less than 0.5p per share.

In the absence of unforeseen circumstances it is expected that the level of dividend for 1982 will be consistent with that which would have been paid for 1981.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Macallan-Glenlivet, Medminster, Mitchell Cotts.

Finals: Derek Crouch, General Mining Union Corporation, Law Debenture, Ransomes Sims and Jefferies, Rea Brothers, Rentokil, W. N. Sharpe, Tavener Rutledge.

FUTURE DATES

Interims:
Galliford ... March 8
Wyatt (Woodrow) ... March 22

Finals:
Allied International Designers ... March 8
Anglo American Securities ... March 12
Cement Roadstone ... March 15
Jourdan (Thomas) ... March 11
Lex Service ... March 17
Refuge Assurance ... March 11
Ron Estates ... March 5
Rio Tinto-Zinc ... April 15

● comment

A prospectus profits forecast presented within days of the year ending might be expected to be pitched pretty close to the final results—perhaps 5 or even 10 per cent below the final audit. But Owners Abroad has left its prediction miles behind—beating it with a 25 per cent margin. That was enough to push up the shares another 5p yesterday to 24p. When Owners came to the USM two months ago the shares were placed at 10p each—since then they have never traded below 14p. And the current year is shaping up to be another buoyant one. So far bookings for the wholesale side are up 20 per cent and the smaller retail division is higher by around 25 per cent. But it is early days and presumably just as the last quarter of 1981 proved to be a pleasant surprise the reverse could also happen. The company is still looking to buy a middle-sized tour operator—probably for its own paper—and it is no secret that it was one of the companies that tried to get Arrowsmith Holidays from the Laker receiver. A theoretical yield of 3 per cent and p/e (historic and assuming a full tax charge) of 16 suggests that most of the share price action is over for a while at least.

Metamec Jentique improves

CLOCK and furniture manufacturer Metamec Jentique, formerly Jentique (Holdings), reports profits of £57,600 for the six months to December 31 1981, against losses of £218,500 last time. Turnover rose from £5.34m to £5.45m.

The company came back into the black in the second half of last year and finished with pre-tax profits of £8,000 for the full period.

A net interim of 0.5p (0.8p) per 25p share will be paid—last year's final was 0.7p. Earnings per share are stated as 0.58p (1.86p).

The directors say the principal manufacturing division, Metamec Clocks, sustained a substantial advance in net profits throughout the year.

They feel that the prospects of the clock division, with its advanced technology and modern production facilities, remain encouraging.

Pre-tax profits were struck after depreciation of £204,200, against £215,900, and interest of £98,200 (£133,500).

Tax took £14,000, compared with a credit of £366,000 last time, leaving net profits of £43,600 (£147,500). There was an extraordinary debit of £62,380 (£29,100).

Yearlings total £15.85m

Yearling bonds totalling £15.85m at 13¼ per cent redeemable on March 9, 1983 have been issued this week by the following local authorities.

Daventry DC £0.75m; Rotherham (Metropolitan Borough of) £0.5m; West Lothian DC £0.75m; Bassetlaw DC £0.5m; Brent (London Borough of) £0.5m; Bridgenorth DC £0.25m; Calderdale (Metropolitan Borough of) £0.5m; Gateshead (Borough Council of) £0.25m; Hambleton DC £0.3m; Mansfield DC £0.45m; Torfaen BC £0.35m; Nottingham (City of) £0.5m; Bexley (London Borough of) £1m; Dwyfor (Cyngor Dosbarth) (The District Council of Dwyfor) £0.5m; Islwyn BC £0.5m; Kensington and Chelsea (Royal Borough of) £0.75m; Leeds (City of) £1m; Mid Sussex DC £0.5m; North Tyneside Metropolitan BC £1m; South Yorkshire Passenger Transport Executive £0.5m; Tunbridge Wells BC £0.5m; Arun DC £0.5m; Chester-Le-Street DC £0.25m; Clydesdale DC £0.25m: Cumnock and Doon Valley DC £0.5m; Northampton BC £0.5m; Southwark (London Borough of) £2m.

Eastington DC has issued £0.5m of 14¼ per cent bonds for redemption on February 29, 1984.

Campari soars: Interim doubled

SHARPLY HIGHER midterm profits are reported by Campari International and the leisurewear, camping and inflatable boats group is doubling its net interim dividend to 2p per 20p share—a final of 2.1p was paid previously.

Pre-tax profits for the seven months to December 31 1981 advanced to £428,410, compared with £288,980, on turnover 19 per cent ahead at £14.28m, against £12.04m.

Mr H. H. Lipton, the chairman, says that group turnover for the second half so far is on target but adds that trading for the remainder of the current year could be strongly influenced by any changes in the economic pattern — taxable profits for 1980/81 declined from £975,003 to £607,874.

He points out that the improvement achieved during the latter part of the previous year continued into the first half of the current year in all group subsidiaries, although margins were under extreme pressure in the UK.

The chairman says that despite the economic depression in Europe generally the popularity of the group's branded merchandise, together with increasing market penetration, is taking a larger share of the available spending power of the public.

At the AGM in November Mr Lipton said that the group had increased its turnover in all areas since June which led him to believe the profits for 1981-82 should improve. He added, however, that bearing in mind the general economic situation, increasing interest and highly volatile exchange rates he could not be certain that the trend of trading would continue. He reported that the group was taking advantage of lower interest rates prevailing in Germany and Holland to finance some of its borrowings.

Tax for the half year took the same at £125,000, including £55,000 for overseas (£90,000). Stated earnings per share for the period were higher at 3.7p (2p).

Reserves were increased by £157,816 (£82,191 decrease) being the difference on translation of net assets of overseas subsidiaries.

● comment

Campari's 50 per cent advance in interim pre-tax profits represents continued recovery from the low point of January-June 1980. Cash flow has benefited from a much needed improvement in stock turn, but the reduction in borrowings has been slight, with gearing still a major problem at around 100 per cent. Increasing concentration on mail order and discount houses has not helped in the battle for margins on the home front, but the company has gained market share at the expense of competitors operating at the pricier end of the range. The German and Belgian subsidiaries have continued to make the running, but the recent devaluation of the Belgian franc will impact on sterling profits in the second half. The offsetting factor is lower interest rates. Campari's optimism is reflected in the dividend, with last year's cut more than restored, and an improvement in the final is a possibility. Yesterday the share price, on a 1981-82 high, rose 1p to 59p, with a prospective yield of about 11½ per cent.

RESULTS AND ACCOUNTS IN BRIEF

MELDRUM INVESTMENT TRUST—Results for 1981 reported February 17. Net assets £19.83m (£18.46m). Listed investments in GB—at market value—£17.32m (£18.1m); unlisted—at director's valuation—£0.96m (£0.12m). Net current assets £1.55m (£0.24m). Increase in net liquid funds £810,000 (£105,000). Board believes the company's portfolio is soundly based and looks to the future with confidence. Meldrum is a subsidiary of the British and Commonwealth Shipping Co. Meeting, 2 St Mary Axe, EC, March 18, 11.30 am.

CRESCENT JAPAN INVESTMENT TRUST—Results for 1981 reported February 11. Investments listed on stock exchanges at market value £23.58m (£15.98m), made up of UK £1.2m (£1.02m) and overseas £22.37m (£14.96m). Net current liabilities £58,798 (£114,120 assets). Shareholders' funds £23.56m (£16.11m). Decrease in cash and short-term deposits £81,000 (£1.58m). Meeting: Edinburgh, March 18, 12.30 pm.

GREENFRIAR INVESTMENT (investment trust)—Results for 1981 and details of warrant issue reported January 22. Shareholders' funds £8.85m (£8.09m); investments £9.29m (£8.21m) including UK listed investments £3.14m (£2.55m) and listed investments outside the UK £5.05m (£4.8m); net current liabilities £431,431 (£116,931), including short-term deposits £272,310 (£88,587), bank balances £7,072 (£198,034), short-term loan nil (£500,000) and secured bank overdraft £1.44m (nil); decrease in liquidity £824,000 (£259,000 increase). Meeting: Austin Friars, EC, March 18, 2.30 pm.

GEORGE DEW (formed as a result of a management buy-out, and subsequent placing, of G. Dew and Company from the Dutch parent, Royal Volker Stevin)—Results for period from March 6 1981 (date of incorporation) to November 1 (incorporating trading from September 25) reported on February 12 1982. Shareholders' funds £7.86m; net current assets £3.85m. Meeting: Oldham, March 25, noon.

PLEASURAMA (entertainment and amusement concern)—Results for year ended September 30 1981 reported on January 6. Group net assets £16.25m (£13.95m). Fixed assets £14.59m (£13.15m); current assets £5.21m (£3.5m); current liabilities £5.51m (£3.93m); net cash surplus £1.72m (£845,944); CCA pre-tax profits £5.49m. Meting at Churchill Hotel, Portman Square, W., a 10.30 am on March 23.

ERNEST JONES (JEWELLERS)—Results for year to September 26 1981 and prospects reported February 24. Current cost pre-tax profit £548,000 against historical £1.11m. Shareholders' funds £7.05m (£6.45m). Fixed assets £2.59m (£2.39m). Net current assets £4.42m (£4.06m). Increase in working capital £739,000 (£733,000). A further series of sales promotions is being launched during 1982 and board is confident these will increase volume sales and add to profitability. Meeting, 1-7 Harewood Avenue, NW, March 24, noon.

WAGON FINANCE CORPORATION (banker)—Results for 1981 reported February 13. Shareholders' funds £12.28m (£10.77m). Fixed assets £4.05m (£2.26m); current assets £56.19m (£54.72m); current liabilities £47.78m (£45.9m). Decrease in working capital £1.16m (£898,136). Meeting: Sheffield, April 2, noon.

TRIBUNE INVESTMENT TRUST—Results for 1981 reported February 19. Investments listed in the UK £13.18m (£14.52m), abroad £18.27m (£14.24m); unlisted in the UK £1.48m (£1.2m), abroad £1.12m (£432,875). Current assets £2.86m (£2m), including balances at bankers £2.65m (£949,864); net current assets £1.73m (£1.34m). Increase in funds available for investment £308,028 (£268,524 decrease). Meeting: 8, Bishopsgate, EC, March 25, 2.30 pm.

NEWBOULD AND BURTON HOLDINGS (footwear manufacturer)—Results for 1981 reported February 19. Current cost profit before tax £345,000 (£239,000). Group fixed assets £1,418,000 (£1,398,000). Net current assets £1,751,000 (£1,857,000)—listed investments £569,000 (nil), short term deposits £100,000 (£800,000) and cash £490,000 (£111,000). Working capital decreased during the year by £193,000 (£356,000); net liquid funds rose by 248,000 (£244,000). Meeting, Leicester, March 31 at 11 am.

YEOMAN INVESTMENT TRUST—Results for 1981 reported on February 11. Investments—listed at mid-market value—UK, £15.44m (£16.84m) including British Government securities £88,500 (£184,000); overseas, £3.94m (£2.89m); current assets £1.39m (£816,628). Increase in uninvested funds 827,501 (£346,600 decrease). Meeting: 1 Brewer's Green, Buckingham Gate, SW, March 29 at 12.30 pm.

CREST NICHOLSON (housing, engineering, leisure group)—Results for the year to October 31 1981 reported February 10. Shareholders' funds £17.52m (£15.39m); current assets £39.99m (£35.09m) including debtors £12.04m (£9.65m); net current assets £21.94m (£20.27m). Chairman says that in the absence of a deterioration in economic conditions, group is planning for further growth in current year. Meeting: Walton-on-Thames, Surrey, March 25, at noon.

THROGMORTON TRUST—Results for year to November 30 1981 already reported. Ordinary shareholders' funds £59.45m (£54.33m). Investments £64.7m (£61.6m). Net current liabilities £1.36m (£3.38m) including overdraft (secured) £415,000 (nil). Liquidity increased £1.82m (£5.83m decrease). The board expects the company's profitability to improve in the immediate future. Meeting, Winchester House, EC, March 25, 12.30 pm.

CARDINAL INVESTMENT TRUST—Results for 1981 reported February 27. Shareholders' funds £28.98m (£28.02m). Net current assets £631,081 (£1.62m), including short-term deposits £600,000 (£1.6m). Investments £32.56m (£29.69m), made up as to listed in Great Britain £17.93m (£17.47m), listed outside Great Britain £12.33m (£10.5m) and unlisted £2.3m (£1.72m). Decrease in liquidity £1.09m (£75,489 increase). Chairman predicts increased profits in 1982. If proposals for one-for-two scrip are passed, company intends to increase interim dividend in current year from the equivalent of 1.1p to 1.3p to reduce the disparity between payments and also expects to at least maintain the total (3.3p adjusted) by a final of 2p on the increased capital. It is also proposing to reconvert the £395,108 preferred stock into 395,108 preferred shares of £1 each. Meeting: Laurence Pountney Hill, EC, March 25, 11 am.

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$350	—	—	6	36.50 B	—	—	
GOLD C	$375	13	12	55	24	1	35.50	$356
GOLD C	$400	33	6	2	14	2	24	"
GOLD C	$425	—	—	26	9 A	—	—	"
GOLD C	$450	10	1.50	—	—	—	—	"
GOLD P	$350	7	11.50	—	—	—	—	"
GOLD P	$375	20	25	401	29	2	19	"
GOLD P	$400	5	43.50 B	5	43	—	—	"
GOLD P	$425	—	—	16	68	—	—	"
12¼ NL 81 87-91								
C	F.105	50	4.70	—	—	—	—	F.109.80
C	F.107.50	—	—	5	3 B	—	—	"
C	F.110	30	1.20	800	1.70	5	2.50	"
P	F.105	—	—	—	—	20	0.70	"
P	F.107.50	—	—	20	0.50	—	—	"
P	F.110	—	—	750	1.30	—	—	"
10½ NL 80 86-95								
C	F.92.50	—	—	10	8.20	—	—	
C	F.95	10	5.70	—	—	—	—	F.100.30
C	F.97.50	2	3.30	35	3.80	—	—	"
C	F.100	75	1.50	21	2.20	—	—	"
P	F.100	—	—	95	1	—	—	"
11¼ NL 81 88-92								
C	F.100	100	2.50	—	—	—	—	F.102
C	F.102.50	540	0.80	—	—	—	—	"
P	F.100	50	0.40	—	—	—	—	"
		April		July		Oct.		
ABN C	F.300	5	1	—	—	—	—	F.276.30
AKZO C	F.20	5	9.10	—	—	—	—	F.29.10
AKZO C	F.25	5	4.50	19	5.20	20	5	"
AKZO C	F.27.50	178	2	30	2.90	32	3	"
AKZO C	F.30	43	0.70	30	1.10	20	1.70	"
AKZO P	F.27.50	[illegible]	[illegible]	20	1	—	—	"
HEIN C	F.50	—	—	5	6.30	—	—	F.54
HEIN C	F.55	61	2	20	2.50	15	2.80	"
HEIN P	F.55	10	2	—	—	—	—	"
KLM C	F.90	95	13.20	8	16.20	—	—	
KLM C	F.100	339	5.70	45	10.50 A	12	15	F.102.30
KLM C	F.110	380	2.60	169	6	—	—	"
KLM C	F.120	66	1	—	—	—	—	"
KLM P	F.80	25	0.80	7	1	—	—	"
KLM P	F.90	138	1	14	2.80 B	—	—	"
KLM P	F.100	298	3.60	34	5.50 B	—	—	"
KLM P	F.110	21	9 B	—	—	9	7 B	"
NEDL C	F.120	9	4.80	—	—	—	—	
NEDL C	F.130	12	1.20	—	—	—	—	F.118.20
NEDL P	F.110	—	—	5	4.20	—	—	"
PHIL C	F.20	[illegible]	4.20	[illegible]	[illegible]	—	—	
PHIL C	F.22.50	443	2.10	55	2.50	5	3.10 A	F.24.10
PHIL C	F.25	[illegible]	0.80	[illegible]	1.20	55	1.50	"
PHIL P	F.22.50	[illegible]	[illegible]	[illegible]	[illegible]	20	0.70	"
PHIL P	[illegible]	[illegible]	1.30	[illegible]	[illegible]	—	—	"
RD C	[illegible]	159	1.80	35	[illegible]	26	4.40 B	F.76.40
RD C	[illegible]	[illegible]	0.80	25	1.20	52	2	"
RD P	F.70	47	0.70	20	1.80	—	—	"
RD P	[illegible]	[illegible]	4.50	—	—	—	—	"
UNIL C	F.130	35	30	—	—	—	—	F.159.50
UNIL C	F.140	20	19.50	—	—	—	—	"
UNIL C	[illegible]	40	11.50	—	—	—	—	"
UNIL C	[illegible]	52	2.80	—	—	—	—	"
UNIL C	[illegible]	20	0.50	—	—	—	—	"
UNIL P	[illegible]	27	0.60	14	[illegible]	—	—	"
UNIL P	[illegible]	15	[illegible]	—	—	—	—	"
		May		Aug.		Nov.		
ALUM C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	$44⅛

TOTAL VOLUME IN CONTRACTS [illegible]

A=Asked B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option	Ex'rcise price	Apr Closing offer	Apr Vol.	Jul Closing offer	Jul Vol.	Oct Closing offer	Oct Vol.	Equity close
Mar. 3 Total Contracts		April		July		Oct.		
BP (c)	280	17	88	26	30	36	—	284p
BP (c)	300	6	141	15	1	22	1	"
BP (p)	260	5	9	—	—	—	—	"
BP (p)	280	14	70	19	5	23	—	"
BP (p)	300	30	50	32	—	34	—	"
CU (c)	120	29	3	30	5	33	—	"
CU (c)	130	19	16	23	—	25	—	147p
CU (c)	140	10	125	15	5	18	—	"
CU (c)	160	3	193	8	25	11	—	"
Cons. Gld (c)	420	12	7	24	7	37	—	399p
Cons. Gld (c)	460	8	—	14	—	24	3	"
Cons. Gld (p)	500	6	—	8	3	17	—	"
Cons. Gld (p)	550	3	—	5	25	—	—	"
Cons. Gld (p)	420	35	26	37	—	40	2	"
Cons. Gld (p)	460	72	10	72	—	72	—	"
Ctlds. (c)	80	7½	25	9½	1	—	10	81p
GEC (c)	850	15	5	44	—	64	—	819p
GEC (p)	750	7	12	13	—	—	—	"
GEC (p)	800	17	2	25	—	30	—	"
GEC (p)	850	45	1	60	17	57	—	"
Gr'd Met. (c)	180	22	16	31	—	36	—	197p
Gr'd Met. (c)	200	9	9	14	10	21	—	"
Gr'd Met. (c)	220	3	8	—	—	—	—	"
Gr'd Met. (p)	200	13	—	19	10	21	53	"
Gr'd Met. (p)	220	25	33	—	—	—	—	"
ICI (c)	260	72	11	80	—	—	—	328p
ICI (c)	300	32	—	40	6	54	2	"
ICI (c)	330	16	32	26	5	36	6	"
ICI (c)	360	7	20	12	6	22	1	"
ICI (p)	300	4	—	8	2	11	—	"
ICI (p)	360	34	2	36	—	42	1	"
Land Sec. (c)	260	47	5	—	—	—	—	300p
Land Sec. (c)	300	15	52	24	—	34	—	"
Land Sec. (c)	330	6	20	10	5	18	—	"
Mks & Sp. (c)	100	43	1	46	—	—	—	140p
Mks. & Sp. (c)	130	14	—	16½	1	22	—	"
Shell (c)	330	24	1	34	—	42	—	344p
Shell (c)	360	10	75	22	4	30	2	"
Shell (p)	360	32	2	36	—	38	—	"
		May		August		November		
Barclays (c)	460	35	—	55	10	75	—	493p
Barclays (p)	500	30	—	35	—	40	15	"
Imperial (c)	60	27½	—	30	5	—	—	87p
Imperial (c)	70	18	2	21	—	—	—	"
Imperial (c)	80	9½	39	13½	19	16	1	"
Imperial (c)	90	5	50	6¾	49	9	—	"
Imperial (p)	80	2½	4	3½	3	3½	—	"
Lasmo (c)	280	40	16	50	—	64	—	310p
Lasmo (c)	300	25	31	35	—	50	3	"
Lasmo (c)	330	12	17	23	6	—	—	"
Lasmo (c)	360	7	7	15	—	—	—	"
Lasmo (c)	390	6	8	8	—	—	—	"
Lasmo (c)	460	3½	7	4	—	—	—	"
Lasmo (c)	500	2	5	3	—	—	—	"
Lonrho (c)	80	5½	—	6	22	7	1	75p
Lonrho (p)	90	18	2	19	—	—	—	"
P & O (c)	100	32	10	—	—	—	—	129p
P & O (c)	130	9	30	13	—	17	—	"
P & O (c)	140	4	10	8	2	—	—	"
Racal (c)	360	17	—	30	3	42	5	353p
Racal (c)	390	7	2	17	—	28	—	"
Racal (p)	330	6	22	10	—	13	—	"
Racal (p)	360	20	5	23	—	27	—	"
Racal (p)	390	43	41	45	—	47	—	"
RTZ (c)	420	20	6	32	1	52	—	422p
RTZ (c)	460	13	2	22	1	32	—	"
RTZ (p)	390	8	4	17	1	—	—	"
RTZ (p)	420	20	20	22	2	25	—	"
RTZ (p)	460	40	1	42	1	47	—	"
Vaal Rfs. (c)	50	5½	—	4¾	10	6¼	—	$48
Vaal Rfs. (p)	50	5½	4	4½	—	5½	—	"
Vaal Rfs. (p)	60	12	1	12	—	—	—	"

C=Call P=Put

Companies and Markets **MINING NEWS**

Decline at Gold Fields in first six months

BY GEORGE MILLING-STANLEY

LOWER GOLD and copper prices and a sharp decline in construction activity on both sides of the Atlantic have cut into the profits of Consolidated Gold Fields, but the group has maintained its interim dividend as it is reassured by the satisfactory level of return on capital employed and longer-term recovery prospects.

Attributable profits for the six months to the end of December *1981 fell by 16 per cent to £40.2m* against £47.9m, giving earnings of 21.5p a share compared with 30.4p.

The interim dividend is an unchanged 8.5p a share. Last year's interim was followed by a final of 16p for a 24.5p total, from attributable profits of £114.3m.

Lord Erroll of Hale, chairman of Gold Fields, said that the group did not predict any early improvement in the world economic climate, and therefore results are likely to continue to be adversely affected for some time.

Lord Erroll went on to say that he felt Gold Fields was well positioned to take advantage of the economic upturn when it comes.

He pointed out that the group's results should be compared with the "significantly greater profit reductions" recorded by other leading mining concerns around the world due to the economic recession. The relative stability of Gold Fields' profits was due both to the high underlying rate of return and to the spread of the group's operations, he said.

The group's gold interests, normally the mainstay of profits, turned in a much reduced contribution as the gold price averaged $421 an ounce over the six months, down from $639 in the corresponding period. The 48 per cent-owned Gold Fields of South Africa fell by 39 per cent, while dividends from the direct holdings in the South African mines were 46 per cent lower.

The newly-restructured Renison Goldfields Consolidated, which groups the Australian interests, suffered a loss in the first six months, largely as a result of a six-week strike at the Renison tin mine in Tasmania.

The construction materials division, led by Amey Roadstone, suffered a reverse as building activity both in the UK and the U.S. fell to the lowest level in real terms for almost 20 years.

The 22 per cent-owned Newmont Mining of the U.S. produced a first-time contribution of £4.9m, despite the effects of the lower gold and copper prices. This was boosted by a large dealing profit realised on the sale of Newmont's investment in Conoco.

The Bermuda - registered Minerals and Resources Corporation (Minorco) part of the Anglo American Corporation of South Africa group, holds 29 per cent of Gold Fields.

The shares touched 410p in London yesterday immediately after the announcement of the results, but lost ground on the weaker bullion price and closed at 398p for a loss on the day of 9p.

	Half-year to 31 Dec 1981 £m	31 Dec 1980† £m
Mining—		
Share of GFSA	13.8	22.8
Divs from direct hldgs in mines	8.0	14.8
Share of Renison	(1.9)	4.3
Share of Newmont	4.9	—
Subsidiaries	(0.1)	(3.2)
Construct'n materials	14.1	19.5
Manufac & commerc'l	19.5	11.7
Realisations, etc.	14.1	5.2
Making	72.4	75.1
Interest payable	4.9	4.4
Profit before tax	67.5	70.7
Tax	26.9	22.5
Profit after tax	40.6	48.2
Minorities	0.4	0.3
Attributable	40.2	47.9
Earnings per share	21.5p	30.4p

† Adjusted to reflect Renison restructuring.

See Lex

Loss for Seltrust Holdings

THE NET LOSS forecast for Australia's struggling Seltrust Holdings in 1981 has turned out to be A$15.79m (£9.3m), and the company is once again unable to pay the dividend on its preferential "Z" shares.

The loss compares with a 1980 profit of A$4.1m. Mr Peter *Wreford, managing director, said* the result is typical of the problems affecting the whole mining industry at the moment.

Operating difficulties continued at the Mount Agnew *nickel mine in Western Australia*, and these combined with unsatisfactory metal prices and increased operating costs to produce a bigger loss than the one recorded in 1980.

Seltrust said yesterday that every effort is being made to put the Agnew operation on an acceptable footing. There have recently been significant *improvements in grades* and recovery levels, and the company hopes these advances will be *sustained and lead to reduced* operating costs.

Agnew's problems have been *compounded by the price war* currently being waged by the major nickel producers such as *Canada's Inco, involving sales at* a discount to the posted producer prices, reports our Sydney *correspondent.*

Recovery problems have beset Teutonic Bore, also in Western *Australia.* This copper-silver project was officially opened last year, but underground mining will not start for another couple of years.

The project made a loss last year, as the ore in the upper part of the deposit is highly oxidised and this causes difficulties with the concentrator. Low prices for copper and silver added to the problems. Seltrust hopes these will be resolved this year as *mining* reaches the *lower* sections of the orebody.

The company said that all of *its operations, including* the share in the Mount Newman iron ore project, suffered from the *relative strength of the* Australian dollar.

British Petroleum holds a *stake of around* 79 per cent in Seltrust. The "A" ordinary shares fell 8p to a 1981-82 low of *34p in London yesterday.*

Profits fall at Poseidon

FURTHER EVIDENCE of the damaging effect on gold producers' profits of the sharply lower bullion price in recent months is provided by the results of Australia's Poseidon for the six months to end-December, 1981.

Net profits for the half-year were just A$300,000 (£176,000), down from A$4.17m at the same stage of the previous year. The company has again decided to defer consideration of a dividend until the outcome for the full year is clearer.

Last year, a final dividend of 5 cents a share was paid on net profits of A$6.5m.

Poseidon is the company which highlighted the boom in Australian nickel exploration stocks in the late 1960s. Its income is now derived from a 47 per cent holding in Kalgoorlie Lake View, which in turn has 52 per cent of Kalgoorlie Mining Associates. This company operates the Mount Charlotte and Fimiston gold mines on Western Australia's Golden Mile.

Poseidon's shares eased 9p to 82p in London yesterday after the announcement of the results.

Jacoa advances to £1.38m

Taxable profits of Jacoa, the management *buy-out consortium,* which in 1981 acquired from the French Government the Ripolin *UK business of paint manufacture* and 135 DIY shops, increased from £1.11m to £1.38m *for the year ended December 26* 1981.

The figure included a £263,000 (£389,000) surplus arising on property disposals under the company's transition programme, and was on turnover down from £18.9m to £18.77m.

Under the impact of appalling weather the directors say that 1982 has started very badly with price competition intensifying further as DIY retailers seek to make up the sales lost in the January snows.

The directors are recommending *a 5p net per share dividend,* which will absorb £84,000 (nil). After tax of £35,000, against £15,000, an *extraordinary credit* of £210,000 (nil) and the dividend cost, the amount retained was £1.47m (£1.1m).

'Close' status for Clifford's Dairies

Clifford's Dairies became a "close" company on January 1, *says the company. At that time,* two new directors joined the board and their shareholding in *Clifford's* pushed the public shareholding in the company below 35 per cent, which classified the company as a "close" company under the Income and Corporation Taxes Act of 1970.

Columbia Ribbon buy-out

Control of the Columbia Ribbon and Carbon Manufacturing Company has been acquired from foreign interests by three executive directors backed by County Bank, which has taken a minority shareholding.

The directors are Paul Jefferies, Gordon Smith and Brian Ayling and the company was acquired at a substantial discount on its net asset value of £2.5m. Tom Wolstenholme, of Wolstenholme and Company, which has advised the management throughout, is also *participating in the buy-out.*

Columbia, with an annual turnover of some £10m, operates *from premises* in Cramlington, Northumberland and Sydenham and has a total workforce of about 430.

HENDERSON HAS 90% OF NORMAND

P. C. Henderson's offer for Normand Electrical Holdings is unconditional. It has been accepted in respect of 8,167,860 ordinary shares and 8,167,860 deferred shares—90.75 per cent. Henderson intends to compulsorily acquire the balance.

APPOINTMENTS

Three join Tate & Lyle main board

TATE AND LYLE has appointed Mr John Mitchell and Mr James Scott as executive directors and Mr Frazer Sedcole as a non-executive director. Mr Sedcole is a director and a vice-chairman-elect of Unilever. Mr Mitchell, who is resident in the U.S., is responsible for the group's North American activities and was formerly president of Pacific Molasses in San Francisco, a Tate and Lyle subsidiary. Mr Scott is responsible for the group's chemical division and was formerly group personnel director.

★

Mr J. Michael Sheasby has been appointed chairman of RCA, in addition to his responsibilities as managing director, group administration. He is president of RCA International Finance and a director of all its UK subsidiaries.

★

Professor G. H. Martin of Leicester University is to be Keeper of PUBLIC RECORDS in succession to Mr A. W. Mabbs, who will retire on April 30. Professor Martin has been professor of history at Leicester since 1973 and pro-vice-chancellor since 1979. He is the author of a number of books and articles, many concerned with historical records. He is chairman of the council of the British Records Association.

★

McDermott Incorporated has appointed Mr B. J. McDonald vice-president of McDERMOTT SCOTLAND, a branch of McDermott International, Incorporated. He was division manager of McDermott International's fabrication facility in Ardersier, Scotland.

★

Subject to formal Stock Exchange approval, Mr H. T. Pelham, Mr E. R. Carbutt, Mr J. Appleby and Mr D. K. L. Ruck Keene will be joining the partnership of ROWE AND PITMAN, stockbrokers, at the close of business on April 16.

★

Mr C. D. W. Ryder has been appointed managing director of FRAYLAND.

★

Mr A. L. N. Walker has been appointed managing director of the UK division of HOLT LLOYD INTERNATIONAL and has also joined the main board. Simultaneously, Mr F. J. G. Peart becomes deputy chairman of the UK division and managing director of the newly-formed Far East division with Mr F. Hannam as financial director.

★

Mr Michael R. Heathcote has resigned as a director of THAMES INVESTMENT AND SECURITIES to concentrate on his other business interests.

★

Mr Roger Hutchins has resigned as managing director of EGA HOLDINGS and from the boards of its subsidiaries. He has left the board of MK Electric Group.

★

BRITISH SHIPBUILDERS has appointed four corporation managing directors from within the organisation. Mr Bill Richardson, to be responsible for warship building and engineering; Mr John Parker, merchant shipbuilding, technology, education and training; Mr Philip Hares, finance, ship repair and business development and Mr John Steele, offshore division and group purchasing. Mr Ken Griffin and Mr Richardson remain deputy chairmen of the corporation.

★

Mr P. J. Custis, has been appointed to the board of CAYZER, GARTMORE INVESTMENTS, the wholly-owned subsidiary of Cayzer, Gartmore which is a member of The British and Commonwealth Shipping Group. Mr Custis, who retired as finance director of Guest, Keen and Nettlefolds on December 31, is a director of Turriff Corporation and a member of the Birmingham and West Midlands Regional Board of Lloyds Bank.

★

Mr Kenneth Dawson has been appointed chairman of ROLAWN (TURF GROWERS). Lord Forbes has been appointed chairman of Rolawn. Mr Dawson's previous position of managing director has been taken over by Mr Derek Edwards, a director.

★

Mr Woodrow Wyatt has been appointed chairman of the HORSERACE TOTALISATOR BOARD for a further period of three years until April 30 1985. He has been chairman of the Tote board since May 1976.

★

Mr Peter Thompson, deputy chairman and chief executive of the National Freight Consortium (which has just bought the National Freight Company), is to be president of the INSTITUTE OF FREIGHT FORWARDERS for 1982-83. He will succeed Mr Alastair Pugh, managing director of British Caledonian Airways. Mr Thompson will be formally elected by the Council of the Institute on April 22.

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS FUNDS

[illegible]

CURRENCIES, MONEY and GOLD

Pound improves

Sterling showed a firmer tendency in current markets yesterday. The effects of Tuesday's $4 cut in North Sea oil appeared to have been shrugged off and there was no apparent pressure despite a further fall in domestic interest rates.

The dollar was slightly weaker overall with trading lacking direction as the market tried to assess U.S. economic trends. Euro-dollar rates were marginally firmer as was the overnight Federal funds rate. However, the latter was likely to fluctuate since Wednesday is bank settlement day.

The Belgian franc continued to lose ground in the European Monetary System, falling below the French franc and Irish punt to be stronger than only the D-mark which remained the weakest member. Yesterday's cut in the Belgian discount rate contributed to the sharp fall. The Danish krone was again the strongest currency followed closely by an improving Dutch guilder.

STERLING — Trade-weighted index 90.9 against 90.7 at noon, 90.8 in the morning and 90.7 at Tuesday's close (90.8 six months ago). Three-month interbank 13¾ per cent (13¾ per cent six months ago). Annual inflation 12 per cent (unchanged from previous month) — Sterling traded around $1.8200 for most of the day against the dollar but rose to a best level of $1.8250 during the afternoon as the dollar weakened. It closed at $1.8225-1.8235, a rise of 90 points. Against the D-mark it rose to DM 4.3250 from DM 4.3125 and SwFr 3.4250 from SwFr 3.41. Against the French franc it closed at FFr 11.0450 up from FFr 11.00.

DOLLAR — Trade-weighted index (Bank of England) 113.1 against 113.3 on Tuesday and 110.4 six months ago. Three months Treasury bills 12.38 per cent (15.62 per cent six months ago). Annual inflation rate 8.4 per cent (8.9 per cent previous month) — The dollar closed at DM 2.3715 against the D-mark from DM 2.3760 and Y238.25 from Y237.60. It was slightly firmer against the Swiss franc however at SwFr 1.8785 from SwFr 1.8750.

D-MARK — EMS member (weakest). Trade-weighted index 122.0 against 121.9 on Tuesday and 116.8 six months ago. Three months interbank 10.225 per cent (12.85 per cent six months ago). Annual inflation 6.3 per cent (unchanged from previous month) — Trading was fairly quiet in Frankfurt yesterday in the absence of any fresh news. The dollar was fixed at DM 2.3684 down from DM 2.3747 on Tuesday but up from an earlier quotation of DM 2.3620. There was no intervention by the Bundesbank. Sterling slipped to DM 4.3120 from DM 4.33 and the Swiss franc was lower at DM 1.2624 compared with DM 1.2635. Within the EMS the French franc dropped to DM 39.125 per FFr 100.

BELGIAN FRANC (EMS member (second weakest). Trade-weighted index 96.3 against 96.5 on Tuesday and 105.1 six months ago. Three-month Treasury bills 14 per cent (15.75 per cent six months ago). Annual inflation 7.6 per cent (8.3 per cent previous month) — The Belgian franc was mostly weaker at yesterday's fixing in Brussels, reflecting to some extent a one point drop in the central bank's discount rate. The dollar rose to BFr 43.7212 from BFr 43.6450 and the D-mark was higher at BFr 18.4405 against BFr 18.3760. Sterling was unchanged at BFr 79.5650 while the French franc improved to BFr 7.22 from BFr 7.2050. Figures released yesterday showed that the authorities had not intervened in the week up to last Monday.

THE POUND SPOT AND FORWARD

March 3	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.8160-1.8250	1.8225-1.8235	0.07-0.17c dis	−0.79	0.43-0.53dis	−1.05
Canada	2.2240-2.2340	2.2315-2.2325	0.30-0.40c dis	−1.88	1.25-1.40dis	−2.37
Nethlnd.	4.72-4.76	4.73½-4.74½	2-1½c pm	4.43	5⅛-4⅞ pm	4.11
Belgium	79.30-79.80	79.70-79.80	2c pm-8 dis	−0.45	par-15 dis	−0.38
Denmark	14.46-14.54	14.51½-14.52½	1⅝-2⅞ore dis	−1.76	5⅞-6⅞ dis	−1.70
Ireland	1.2200-1.2250	1.2225-1.2235	0.56-0.69p dis	−6.13	1.65-1.87dis	−5.76
W. Ger.	4.30-4.34	4.32-4.33	1⅜-1⅛pf pm	3.81	4⅛-3⅞ pm	3.81
Portugal	128.00-129.50	129.00-129.30	55-200c dis	−11.85	140-410 dis	−8.52
Spain	186.90-188.50	188.20-188.40	5-30c dis	−1.17	75-120dis	−1.56
Italy	2,314-2,326	2,322½-2,325½	11-14 lire dis	−5.45	37½-40½ dis	−6.71
Norway	10.88-10.92	10.90½-10.91½	½ore pm-⅛ dis	0.14	½-1½ dis	−0.37
France	10.98-11.05	11.04-11.05	½-1½c dis	−1.09	5⅛-6⅛ dis	−2.13
Sweden	10.50½-10.56½	10.54-10.55	1-½ore pm	0.64	2-1⅝ pm	0.58
Japan	428-434	430½-431½	2.85-2.60y pm	7.59	7.95-7.65 pm	7.24
Austria	30.20-30.40	30.32-30.37	17-13gro pm	5.93	39-32 pm	4.68
Switz.	3.41-3.44	3.42-3.43	2⅛-1⅞c pm	7.44	5⅞-5⅝ pm	6.42

Belgian rate is for convertible francs. Financial franc 85.70-85.80. Six-month forward dollar 1.08-1.18c dis, 12-month 2.15-2.35c dis.

THE DOLLAR SPOT AND FORWARD

March 3	Day's spread	close	One month	% p.a.	Three months	% p.a.
UK†	1.8160-1.8250	1.8225-1.8235	0.07-0.17c dis	−0.79	0.43-0.53dis	−1.05
Ireland†	1.4875-1.4925	1.4890-1.4910	0.70-0.60c pm	5.24	1.80-1.60 pm	4.57
Canada	1.2230-1.2265	1.2240-1.2245	0.10-0.13c dis	−1.13	0.36-0.39dis	−1.21
Nethlnd.	2.5950-2.6060	2.5965-2.5985	1.18-1.08c pm	5.21	3.40-3.30 pm	5.15
Belgium	43.60-43.80	43.72-43.74	5-1c pm	0.82	12-7 pm	0.87
Denmark	7.9500-7.9730	7.9600-7.9650	0.75-0.95ore dis	−1.28	1.50-2.00dis	−0.88
W. Ger.	2.3600-2.3750	2.3710-2.3720	0.97-0.92pf pm	4.78	2.97-2.92 pm	4.97
Portugal	70.25-70.75	70.25-70.50	30-105c dis	−11.47	80-205 dis	−7.60
Spain	102.75-103.35	103.10-103.15	par-10c dis	−0.58	18-28 dis	−0.89
Italy	1,272-1,276½	1,273-1,274	5¾-6½ lire dis	−5.77	17-18 dis	−5.49
Norway	5.9750-5.9900	5.9750-5.9850	0.45-0.25c pm	0.70	1.05-0.75 pm	0.60
France	6.0400-6.0675	6.0565-6.0615	0.10c pm-par	0.10	1.35-1.60dis	−0.97
Sweden	5.7745-5.7900	5.7750-5.7850	0.70-0.55ore pm	1.30	2.40-2.25 pm	1.61
Japan	235.50-238.75	238.20-238.38	1.75-1.60y pm	8.51	4.95-4.80 pm	8.25
Austria	16.59½-16.65½	16.64-16.65	10-8¾gro pm	6.76	25⅛-22¾ pm	5.71
Switz.	1.8700-1.8850	1.8780-1.8790	1.38-1.30c pm	8.56	3.62-3.54 pm	7.62

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Mar. 3	Bank of England Index	Morgan Guaranty Changes%
Sterling	90.8	−32.7
U.S. dollar	113.1	+5.9
Canadian dollar	87.7	−18.2
Austrian schilling	116.2	+24.5
Belgian franc	96.3	−0.6
Danish Kroner	83.8	−13.1
Deutsche mark	122.0	+44.8
Swiss franc	154.3	+107.7
Guilder	114.7	+31.4
French franc	79.8	−14.4
Lira	55.0	−57.6
Yen	133.4	+28.8

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Mar. 2	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.618996	0.559977
U.S. $	12	1.12843	1.02028
Canadian $	14.85	1.38256	1.24994
Austria Sch.	6¾	18.7951	17.0055
Belgian F.	14	49.2503	44.3377
Danish Kr.	11	8.99810	8.12852
Deutsche mark	[illegible]	[illegible]	[illegible]
Guilder	[illegible]	[illegible]	[illegible]
French Fr.	[illegible]	[illegible]	[illegible]
Lira	[illegible]	[illegible]	[illegible]
Yen	[illegible]	[illegible]	[illegible]
Norwgn. Kr.	[illegible]	[illegible]	[illegible]
Spanish Pts.	[illegible]	[illegible]	[illegible]
Swedish Kr.	[illegible]	[illegible]	[illegible]
Swiss Fr.	[illegible]	[illegible]	[illegible]
Greek Dr'ch.	[illegible]	[illegible]	[illegible]

OTHER CURRENCIES

[illegible]

* Now one rate. † Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU March 3	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.6963	44.6429	−0.12	−0.12	±1.5440
Danish Krone ...	8.18382	8.13275	−0.62	−0.62	±1.6428
German D-Mark	2.41815	2.42054	+0.10	+0.10	±1.1097
French Franc ...	6.19564	6.18552	−0.16	−0.16	±1.3743
Dutch Guilder ...	2.67296	2.65837	−0.55	−0.55	±1.5069
Irish Punt	0.686799	0.685450	−0.20	−0.20	±1.6689
Italian Lira	1305.13	1301.64	−0.27	−0.27	±4.1242

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times. Sterling/ECU rate for March 3 ...... 0.560754

EXCHANGE CROSS RATES

Mar. 3	Pound St'rling	U.S. Dollar	Deutschem'k	Japan'se Yen	FrenchFranc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.823	4.325	431.0	11.045	[illegible]	[illegible]	2325.	2.233	79.75
U.S. Dollar	0.549	1.	2.372	236.4	6.059	[illegible]	[illegible]	1275.	1.224	43.75
Deutschemark	0.231	0.422	1.	99.66	2.554	[illegible]	[illegible]	537.5	0.516	18.44
Japanese Yen 1,000	2.320	4.230	10.03	1000.	25.63	[illegible]	[illegible]	5393.	5.179	185.0
French Franc 10	0.905	1.651	3.916	390.2	10.	[illegible]	[illegible]	2105.	2.021	72.20
Swiss Franc	0.292	0.532	1.262	125.8	[illegible]	[illegible]	[illegible]	678.7	0.652	23.28
Dutch Guilder	0.211	0.385	0.912	90.93	[illegible]	[illegible]	[illegible]	490.4	0.471	16.82
Italian Lira 1,000	0.430	0.784	1.861	185.4	[illegible]	[illegible]	[illegible]	1000.	0.960	34.31
Canadian Dollar	0.448	0.817	1.938	193.1	[illegible]	[illegible]	[illegible]	1041.	1.	35.73
Belgian Franc 100	1.254	2.286	5.425	540.4	[illegible]	[illegible]	[illegible]	2915.	2.799	100.

FT LONDON INTERBANK FIXING (11.00 a.m. MARCH 3)

3 months U.S. dollars		6 months U.S. dollars	
bid 14 11/16	offer 14 13/16	bid 14 15/16	offer 14 15/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Mar. 3	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	14¼-14½	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days' notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One Year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible] ECU linked deposits: one month 12⅞-13 per cent; three months 12⅞-13⅛ per cent; six [illegible]. Asian $ (closing rates in Singapore): one month 14 [illegible] per cent; three months [illegible] cent. Long-term Eurodollar two years 15⅛-15⅜ per cent; three years 15⅛-15½ per cent; four [illegible]. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two [illegible].
The following rates were quoted for London dollar certificates of deposit: one month [illegible] 14.50 per cent; one year 14.45-14.55 per cent.

MONEY MARKETS

London rates ease

London clearing bank base lending rate 13½ per cent (since February 25)

Interest rates continued to ease in London yesterday apart from the very short end where funds were still in short supply. Three-month interbank money fell to 13¾ per cent from 13⅞ per cent and six month sterling CDs were lower at 13⁹⁄₁₆ per cent from 13¾ per cent. Overnight money opened at 14¼-14½ per cent and rose on the forecast to 14⅞ per cent. Funds were difficult to obtain later in the day with balances commanding up to 30 per cent.

Credit conditions were easier than earlier in the week although the Bank of England gave an initial forecast of a shortage of £350m. Factors affecting the market included bills maturing in official hands and a net take up of Treasury bills −£245m and banks' balances below target by £110m, partly offset by Exchequer transactions of +£30m. The Bank gave assistance in the morning of £151m comprising purchases of £1m of local authority bills and £1m of eligible bank bills all in band 1 (up to 14 days) at 13⅞ per cent. The bulk of the help was a further sale and repurchase agreement on £149m of bills at 13½ per cent and unwinding on March 24.

The shortage was amended later to around £300m and the authorities gave more help in the afternoon of £93m, making a grand total of £244m. The afternoon assistance comprised purchases of £4m of eligible bank bills in band 1 at 13⅞ per cent and £32m in band 2 (15-33 days) at 13½ per cent. The Bank entered into another sale and repurchase agreement on £57m of bills at 13½ per cent for resale to the market on March 24.

In Brussels the Belgian National Bank cut its discount rate to 13 per cent from 14 per cent and the Lombard rate to 13½ per cent from 15 per cent. This followed a general decline in interest rates after the recent 8½ per cent devaluation of the Belgian franc. The rate was last cut in January from 15 per cent where it had stood since early December in an effort to support a very weak franc. Yesterday's move had been widely anticipated and initial effect on the Belgian franc was small.

In Paris the Bank of France provided further liquidity for the money market by buying around FFr 7bn of first category paper, maturing between March 11 and 20. The rate was unchanged at 14 per cent. Call money was higher at 14⅛ per cent up from 14 on Tuesday.

In Frankfurt the Bundesbank announced its intention not to hold a Press conference after today's meeting of the central council. In the past this has been understood by the market to have meant that credit policies and key lending rates would probably be left unchanged.

MONEY RATES

NEW YORK

Prime rate	16½
Fed. funds (lunch-time)	15½-15⅝
Treasury bills (13-week)	12.38
Treasury bills (26-week)	12.78

GERMANY

Special Lombard	10.00
Overnight rate	10.05
One month	10.175
Three months	10.175
Six months	10.10

FRANCE

Intervention rate	14.0
Overnight rate	14.1875
One month	14.0625
Three months	14.0625
Six months	14.125

JAPAN

Discount rate	5.50
Call (unconditional)	6.84375
Bill discount (three-month)	6.53125

LONDON MONEY RATES

Mar. 3 1982	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Discount Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	14-30	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 days notice	—	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days or	—	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days notice	—	14⅛-14½	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One month	14-13⅞	14-14⅛	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	13⅞-13¾	13⅞-14	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	13⅝-13½	13¾-13⅞	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	13½-13⅜	13⅝-13¾	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	13¼-13⅛	13⅝-13¾	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	13¼-13⅛	13⅝-13¾	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	—	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates, nominally three years 14¼ per cent; four years [illegible] per cent; five years [illegible]. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills [illegible] 13⅝ per cent.

Approximate selling rates for one month Treasury bills [illegible] 12²³⁄₃₂-12⅞ per cent. Approximate selling rates for one month bank bills [illegible] three months 12⅞ per cent; one month trade bills [illegible] cent.

Finance Houses Base Rates (published [illegible]). Clearing Bank Deposit Rates for sums at seven days' notice [illegible]. Treasury Bills: Average tender rates of discount [illegible]. Certificates of Tax Deposits [illegible].

GOLD

Sharp fall

Gold fell $7 an ounce to close at $353-354 in the London bullion market yesterday. It opened at $356½-357½ and drifted during in a continuation of its recent downward trend.

In Paris the 12½ kilo bar was fixed at FFr 69,000 per kilo ($354.53 per ounce) in the afternoon compared with FFr 69,000 ($354.95) in the morning and FFr 70,000 ($359.27) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 27,325 per kilo ($359.01 per ounce) against DM 27,880 ($364.99) previously and closed at $353½-354½ from $361-362.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar was $357.25 from $363.25.

In Zurich gold closed at $353-356 against $360-363.

	Mar. 3		Mar. 2	
Gold Bullion (fine ounce)				
Close	$353-354	(£193½-194)	$360-361	(£198-198½)
Opening	$356½-357½	(£196-196½)	$361¼-362¼	(£198¼-198¾)
Morning fixing	$357.10	(£196.123)	$363	(£199.232)
Afternoon fixing	$353.75	(£194.355)	$361.25	(£198.326)
Gold Coins				
Krugerrand	$364-365	(£199½-200)	$370½-371½	(£204¼-204¾)
1/2 Krugerrand	$187¼-188¼	(£102¾-103¼)	$190¾-191¾	(£105¼-105¾)
1/4 Krugerrand	$95¼-96¼	(£52¼-52¾)	$97-98	(£53½-54)
1/10 Krugerrand	$39-40	(£21½-22)	$39½-40½	(£21¾-22¼)
Mapleleaf	$365-366	(£200-200½)	$371½-372½	(£204¾-205¼)
New Sovereigns	$86½-87	(£47½-47¾)	$88-88½	(£48½-48¾)
King Sovereigns	$101-102	(£55½-56)	$104-105	(£57¼-57¾)
Victoria Sovs	$101-102	(£55½-56)	$104-105	(£57¼-57¾)
French 20s	$85-95	(£46½-52½)	$86½-96½	(£47¾-53¼)
50 pesos Mexico	$436-439	(£239-240¾)	$445-448	(£254¼-247)
100 Cor. Austria	$343-346	(£188-189¾)	$349½-352	(£192¾-194)
$20 Eagles	$485-495	(£267½-270¼)	$495-500	(£273-275¾)

INTERNATIONAL COMPANIES and FINANCE

Imetal suffers sharp downturn

By Terry Dodsworth in Paris

IMETAL, the French mining group in which the recently-nationalised Banque Rothschild has a 20 per cent stake, suffered a sharp fall in consolidated profits last year as a result of a downturn in some of its main activities.

According to provisional figures published yesterday, earnings should be in the order of FFr 115m ($19.2m), less than half the FFr 248m achieved in 1980, which included a FFr 46m profit on asset sales. Turnover is forecast to rise by about 25 per cent to FFr 9.5bn.

At parent company level, the group made a loss of FFr 86m after taking in a depreciation charge of FFr 145m for its share in Le Nickel-SLN, the nickel mining concern based on the island of New Caledonia in the French Pacific.

Le Nickel, jointly owned with Elf-Aquitaine, the French State-controlled oil group, has already announced a provisional loss of FFr 208m compared with FFr 90m in the previous year. This deficit will be increased to FFr 288m after taking exchange rates into consideration, Imetal said yesterday.

Pennarroya, the lead, zinc and non-ferrous metal part of the group also experienced a sharp deterioration in its results last year, with 1980 consolidated profits of FFr 113m being reversed to a loss of around FFr 52m. The depression in world markets was underlined by a static turnover of FFr 3.9bn.

Copperweld, the group's tubes and bi-metallic wire subsidiary in the U.S., reversed the trend in the other Imetal companies, almost doubling profits from $19m to $37.2m. Turnover rose by 34 per cent to $617m.

Sears, Roebuck up by 6.6% despite final quarter decline

BY PAUL BETTS IN NEW YORK

SEARS, ROEBUCK, the world's largest retailer, which is expanding heavily in the financial services, has reported a 6.6 per cent increase in profits for fiscal 1981, despite a modest decline in earnings in the final quarter.

The company said there had been a strong improvement in its domestic merchandising operations, which helped to offset the company's increased interest expense and the lower earnings from the Allstate insurance group.

Net income last year totalled $650.1m on revenues of $27.36bn compared with profits of $609.8m on revenues of $25.16bn in 1980. In the fourth quarter, earnings were $333.1m on revenues of $8bn, compared with earnings of $339.7m on revenues of $7.6bn in the final period of the previous year.

Interest expense last year rose 34 per cent to $1.52bn from $1.13bn. The Allstate group reported lower income of $406.3m last year compared with $450.4m a year ago because of the continuing deterioration of underwriting results.

Mr Edward Telling, chairman, said increased sales and improved expense controls were responsible for the turnround in Sears, Roebuck's merchandising operations.

"The Sears merchandising group had a 90 per cent increase in net income to $352.3m last year," Mr Telling reported. But he added that the increased interest expense led to a loss of $83.3m in credit operations compared with a loss of $25.3m in 1980." Coupled with lower income in international operations, this brought Sears merchandising group income for 1981 to $285m, an increase of 25 per cent from income of $228.9m in 1980."

The 1981 figures did not include the results for Coldwell Banker and Dean Witter Reynolds, the real estate brokerage house and the Wall Street securities firm which Sears acquired last winter

Chicago store sales end A&P disposal programme

BY OUR NEW YORK STAFF

GREAT ATLANTIC and Pacific Tea (A & P), the large but ailing U.S. supermarket chain controlled by the Tengelmann group of West Germany, has announced plans to sell more outlets, this time in the Chicago area.

The purchaser is Scott Lad Foods of Lansing, Illinois. The terms of the deal were not disclosed, but it is believed to cover 42 stores and a warehouse.

The deal follows A & P's decision to reinstitute its policy of retrenchment in order to stem its losses. When Mr James Woods, its new chairman, took over in 1980, he called a halt to the closures and sales ordered by his predecessors, and tried to rebuild A & P on the basis of the chain as it then existed. Last October, however, he announced plans to close 400 more stores. This would have reduced A & P's total outlets to about 800, less than a third of what it once had.

A & P reported a loss of $43m in 1980 and $29m in the first nine months of 1981.

Japanese fears hit zero coupons

By Peter Montagnon, Euromarkets Correspondent

ZERO COUPON bonds fell heavily in secondary market trading yesterday on reports that Japan's Ministry of Finance had asked Japanese securities houses not to sell any more such paper to resident investors.

Prices of zero coupon issues were marked down by more than a point in some cases as dealers reported large amounts of paper coming on offer in Europe from Japanese houses. The falls were even greater in percentage terms because of the already very low secondary market price for this deep discount paper.

The reports of the Japanese action remained unconfirmed officially, but dealers said any move by Japan to block sales of zero coupon bonds to residents could bring this ballooning market to an abrupt standstill. Bargain hunters pushed prices off their lowest levels yesterday afternoon.

Zero coupon bonds with a nominal value of $7.2bn have been issued so far this year, with much of the paper finding its way to Japanese investors seeking a tax free capital gain. The Japanese authorities are understood to have been worried by the ensuing level of capital outflow.

The rest of the Eurobond market moved slightly higher yesterday. Fixed rate dollar bonds gained ½ point despite a fractional gain to nearly 15 per cent in six month Eurodollar rates. But Japan also stole the limelight in the primary market.

Japan Development Bank is floating a Y12.5bn. five-year bond with an indicated coupon of 8 per cent. Led by Nomura Securities and Morgan Guaranty, the issue will use the U.S. dollar as the transmission currency for payment of interest and principal, although this denominated in yen.

This gives the bonds a tax free status akin to a true Euroyen issue, but their progress will be watched closely as the last such bond, for Japan Airlines, met some resistance because the yen weakened on exchange markets after it was launched.

On the Continent prices of D-mark and Swiss franc issues moved higher as local short-term rates eased.

Occidental Petroleum is floating a SwFr 100m, 10-year issue with an idicated yield of 8 per cent through Swiss Bank Corporation UBS is arranging a SwFr 300m private placement for Australia with a coupon of 7¼ per cent over six years.

Marine Midland–Ohio bank move

By David Lascelles in New York

MARINE MIDLAND Bank of New York is increasing its efforts to acquire out-of-state banks in preparation for the day when inter-state banking becomes legal.

Marine Midland, which is now part of the Hongkong and Shanghai Banking Group, announced that it has agreed to invest as much as $139m in Centran one of the largest banking groups in the State of Ohio.

Initially Marine Midland will buy only non-voting preferred stock. But this carries warrants entitling it to buy 2.3m newly-issued shares of common stock which would give it a 37 per cent interest in Centran. The warrants would be exercised if and when the law is changed to allow banks to own banks outside their home State. At the moment, they are limited to owning 5 per cent.

Centran, based in Cleveland, has assets of $3bn. Centran reported a loss of $22m last year after misjudging interest rates.

Marine Midland has already made a similar deal with a bank in Philadelphia, Pennsylvania. Other New York banks which have set up such delayed action deals include Citibank, Chase Manhattan and Chemical Bank.

National Steel plant may go to workers

By Our New York Staff

NATIONAL STEEL, the fourth largest steel company in the U.S., is negotiating to sel one of its three steel-making plants to its employees. The initiative, while not the first in the troubled metal industry, would be one of the largest employee buy-outs if the negotiations succeed.

The plant is at Weirton, West Virginia, and has about 10,000 workers. National estimates that it contributed about 24 per cent of the company's $4.2bn sales last year.

Mr Howard Love, National's chairman, said the company had decided to try to sell the plant in order to be able to reinvest the proceeds in higher yielding lines of business.

ARCO TO END CREDIT CARD SALES

New twist to petrol pump battle

BY PAUL BETTS IN NEW YORK

U.S. OIL companies are scrambling to overhaul their petrol retailing business in the wake of the oil glut, the need to revive consumer demand in a changing market and sharply declining earnings from downstream operations.

The latest and most eloquent example of the problems large oil companies are encountering at the petrol pump is the decision by Atlantic Richfield (Arco), the country's seventh largest oil company, to end credit card sales of petrol after Easter.

By ending its credit card operation, Arco claims it will save about $73m a year. At the same time, the move will enable the oil company to reduce its wholesale price to dealers by nearly three cents a gallon.

Although dealers do not have to pass the savings on to customers, most are expected to lower their pump prices because of the fierce competition in the petrol market.

Arco currently has 3m credit card accounts, which account for about 30 per cent of the company's petrol sales. Although other large oil companies with major credit card operations have so far indicated they have no plans to discontinue their card business, Arco's move is expected to increase competitive pressures on petrol market and set a new trend in retailing.

U.S. oil companies with major credit card accounts include Standard Oil Company (Indiana), or Amoco, with 7m accounts, Exxon with 6.5m, Shell Oil with 5.4m, Mobil and Texaco with 5m each and Standard Oil of California (Chevron) with 4.5m.

Arco claims that the U.S. consumer is now looking for the lowest price at a pump rather than service. Although Arco does acknowledge it could lose some business as a result of its decision, it is confident the lower price of Arco petrol will more than offset the lost credit business.

Credit card sales have traditionally been a burden for oil companies in the U.S. in recent years as the cost of charge-account business has risen. But many oil companies have maintained their credit card programmes, despite the impact of high U.S. interest rates, as a defensive measure to maintain market share.

But in the current environment, oil companies clearly no longer feel they can continue to sustain the cost of credit accounts. Indeed, although Arco is the first major oil company to discontinue its credit card service, Texaco last winter started imposing a 3 per cent processing charge on credit card sales.

The Texaco move provoked a major controversy but the company justified its decision by claiming, among other things, that the 3 per cent charge was expected to produce more than $80m in annual revenues.

The Arco move, however, goes much further. One justification the oil company made was that customers paying cash for petrol were subsidising card users. Arco also said it would accept no credit cards of any kind, although dealers could make separate arrangements.

At the same time as trying to reduce their operating costs, oil companies are also currently involved in a modernisation and new design programme for their outlets. But the emphasis has increasingly gone in attracting the price-conscious consumer rather than offering a large array of services.

Oil companies have also sharply reduced the number of their outlets. Indeed, the U.S. oil industry had developed a vast service station population that at one time exceeded 250,000 stations. The population has now dropped to about 150,000 with all the major oil companies cutting back on outlets.

AMOCO TO SHUT U.S. REFINERY

AMOCO Oil Company, a unit of Standard Oil Company (Indiana) is to close a 104,000 barrel a day refinery in Sugar Creek, Missouri, because of sluggish demand for its products. The refinery will be put up for sale.

Amoco said it decided to close and sell the plant because it used only 69.5 per cent of its domestic refining capacity in 1981. In 1978 capacity use was more than 90 per cent. The closure from June 1 would help to improve its overall utilisation of production capacity.

The Sugar Creek refinery will be the third in Amoco's 10-unit U.S. system which has been shut in the past year because of declining demand and excess capacity.

Manufacturers Hanover sets 12% growth rate

BY TERRY BYLAND

MANUFACTURERS HANOVER, fourth largest bank in the U.S., aims to achieve overall earnings growth rate of 12 per cent over the next five years, and a 16 per cent return on equity, Mr Harry Taylor, vice-chairman of the parent company, said in London this week.

The bank will be a "frequent visitor" to the long-term debt markets, he added, commenting that the board considered the $100m of four-year notes marketed in December to have been very successful.

While ruling out interstate banking in the U.S. as a political possibility at present, the bank is poised for any change in the Douglas Amendment to allow the acquisition of out-of-state banks.

Should such moves to be allowed, Manufacturers Hanover would want acquisitions of sufficient size to give a market presence and significant profitability. "Crocker would have been a nice choice," commented Mr Taylor. The bank would not be interested in buying "sick banks" or small-scale operations.

At Manufacturers Hanover Trust (MHT), the flagship bank, future plans include development of a "global international capability." International operations currently contribute about half of total earnings.

Mr Taylor sees leasing operations as a growth area and one where the bank is the largest of the leading banks, "by a wide magin." The leasing company has added more than $1bn of assets since 1979 and is expected to remain an engine for growth as interest rates return to a more normal pattern.

AT&T to establish U.S. data processing centres

BY OUR NEW YORK STAFF

AMERICAN Telephone and Telegraph (A T and T) the dominant U.S. telephone company which will be free to enter the unregulated computer and data processing market next year, is setting up two data processing centres to support the new electronic products it will start marketing in 1983.

The two centres, which will employ a total of 1,600 people and be located in Florida and New Jersey, will provide planning, programming and marketing support for the operating divisions of AT and T's proposed new subsidiary, nicknamed "Baby Bell."

Mr Ervin Patrick, AT and T's director of data services, said yesterday the two centres were being established so they would be ready to support "Baby Bell" next January. The largest of the two computer centres will be at Orlando, Florida.

The announcement further reflects the forthcoming battle in the U.S. data processing market between AT and T and IBM as well as other large U.S. computer companies.

By settling its protracted anti-trust case with the U.S. Justice Department at the beginning of this year, AT and T will now be able to enter unregulated electronics markets which have been up to now closed to the company. Under the agreement it is to divest itself of its 22 telephone system units, which under a planning model are to be grouped in seven geographic regions. Each will be bigger than the current number two system in the U.S. industry, which is operated by General Telephone and Electronics, according to AT and T.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Tuesday March 23. Closing prices on March 3

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Anheuser-Busch 16½ 88	100	102⅞	103⅛	+0¼	+0⅜	15.64
APS Fin. Co. 17¼ 86 ...	60	104⅞	105⅛	0	+0¼	15.52
APS Fin. Co. 16¾ 89 ...	75	101⅞	102⅛	+0⅛	+2	15.70
Armco O/S Fin. 15¾ 86	60	99⅝	100⅛	+0⅞	+0⅝	15.35
Bank Montreal 16¼ 91	150	102⅜	103⅛	+0⅞	+2⅛	15.59
Br. Colum. Hyd. 16⅛ 88	100	103	103⅜	+0⅛	+1⅛	15.37
Br. Colum. Mis. 17 97	54	103⅜	104⅛	0	+0¼	16.25
Can. Nat. Rail 14¾ 91	100	95⅜	96⅛	+0⅛	+1⅛	15.40
Caterpillar Fin. 16½ 86	100	103⅝	104⅛	+0⅛	+1⅛	15.20
CFMP 16¾ 96	100	101⅞	102⅛	0	+0⅛	16.31
CIBC 16⅛ 91	100	103⅛	104⅛	+0⅛	+1⅛	15.85
Citicorp O/S 16⅛ 86...	150	103⅜	104⅛	+0⅛	+0⅛	15.43
Cities Service 17 88	150	104⅝	105⅛	+0⅜	+1½	15.58
Cons.-Bathurst 17½ 88	60	102⅝	103⅛	−0⅛	+0⅛	16.68
Dupont O/S 14½ 88	400	98⅞	99⅜	+0⅛	+0⅜	14.67
Dupont O/S Cap. 0.0 90	300	35	35½	+0⅞	+1	14.02
EIB 16⅝ 91	100	104⅛	104⅝	+1⅛	+2	15.78
Gen. Elec. Credit 0.0 92	400	28⅜	28⅞	+0⅛	+1	13.10
Gen. Elec. Credit 0.0 93	400	26⅛	26⅝	+0⅛	+1½	12.51
GMAC O/S Fin. 16⅝ 84	300	101⅜	101⅞	0	+0¼	15.58
GMAC O/S Fin. 16 88	150	98⅝	99⅛	+0¼	+1	16.29
Gulf States O/S 17½ 88	60	104½	106	+0⅛	+0⅞	16.19
Japan Airlines 15¼ 88	50	100⅛	100⅝	+0⅛	+0⅛	15.11
Nat. Bk. Canada 16½ 88	40	100⅞	101⅛	+0⅛	+0⅝	16.84
Nat. West 14¾ 91	100	98⅜	98⅞	+0⅛	+2	14.99
New Brunswick 17 88	60	106⅛	106⅝	+0⅜	+1⅛	15.32
New & Lab. Hy. 17⅛ 89	75	104	104½	0	+0½	16.16
Ohio Edison Fin. 17½ 88	75	105⅛	105⅝	+0½	+1½	16.01
OKG 15¾ 97	50	98½	99	+0⅛	+0½	15.93
Ontario Hyd. 16 91 (N)	200	103	103½	+0⅛	+1⅛	15.29
Pac. Gas & El 15¾ 89	80	101⅛	101⅝	+0⅜	+1⅜	15.35
J. C. Penney Gl. 0.0 92	350	20⅜	21⅛	+1	+0⅞	11.65
Quebec Hydro 17¼ 91	150	106⅝	107⅛	+0⅛	+1⅛	15.73
Quebec Prov 15¾ 89	150	97⅛	97⅝	+0⅛	+1½	15.76
Saskatchewan 16¼ 88	100	102⅛	102⅝	+0⅞	+1	15.56
Statsforetag 15¾ 87	50	99⅛	99⅝	+0⅞	+1⅛	15.86
Sweden 14½ 88	150	94⅞	95⅜	+0⅛	+0⅞	15.67
Swed. Ex. Cred. 16½ 93	75	101⅛	101⅝	+0⅛	+0½	16.16
Texas Eastern 15⅞ 88	75	99⅞	100⅜	+0⅛	+1⅛	15.79
Transcanada 17⅜ 88	75	107	107½	+0⅛	+1	15.81
Transcanada 16 89	100	98⅞	99⅜	0	+0⅝	16.15
Winnipeg 17 86	60	105⅜	105⅞	+0⅜	+1⅛	15.13
WMC Fin 15½ 88	50	96½	97	+0½	+0⅛	16.28
World Bank 15½ 86	130	104⅛	104⅝	+0½	+1⅛	14.98
World Bank 16½ 88	100	104½	104⅞	+0⅛	+1⅜	15.27

Average price changes... On day +0½ on week +1⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 9½ 91	300	98⅜	99	+0⅛	+0⅛	9.55
Belgelectric 11 91	100	101⅛	101⅞	−0⅛	+0½	10.72
CECA 10 91	120	100½	101⅛	+0⅛	−0⅛	9.85
Coun. of Europe 10 91	100	99⅞	100⅜	−0⅛	+0⅛	9.97
Coun. of Europe 10¼ 91	100	101⅛	101⅞	+0½	+0⅛	9.98
EEC 10⅛ 93	100	100⅜	100⅞	+0⅛	+0½	10.00
EIB 10½ 91	200	102⅜	103⅛	+0⅛	+0⅛	9.98
EIB 9¾ 88	60	99⅜	99⅞	0	0	9.86
Finland, Rep. of 10½ 86	100	100⅝	101⅛	0	0	10.19
Inter-American 10 91	100	100⅛	101⅛	+0⅛	+0½	9.83
Inter-American 10¼ 91	100	101⅛	101⅞	+0⅜	+0½	9.98
Ireland 10⅛ 86	100	100⅛	100⅝	+0⅛	0	10.00
Mexico 11 88	100	100⅛	100½	0	−0⅛	10.90
Midland Int. Fin. 8½ 90	180	93⅛	94⅞	−0⅛	+0⅛	9.58
Mt. Bk. Dnmk. 10½ 91	100	99⅞	100⅜	0	+0⅛	10.44
Nat. West. 9⅞ 92	100	100⅛	100⅝	0	+0⅛	9.80
New Zealand 9¾ 89	200	100½	101⅛	+0⅛	+0⅛	9.57
OKB 10⅛ 91	150	100⅝	100⅞	0	+0⅛	9.98
OKB 9¾ 86	150	99⅜	99⅝	+0⅛	+0⅛	9.86
Quebec Hydro 10¼ 91	150	101⅞	102⅜	0	+0⅛	9.89
Swed. Ex. Cred. 10¼ 91	100	99⅝	99⅞	+0⅛	−0⅛	10.32
Venezuela 11½ 91	100	100⅛	100⅝	+0⅛	+0⅛	11.44
World Bank 10 91	250	101⅞	102⅜	+0½	+1⅛	9.62

Average price changes ... On day +0⅛ on week +0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Ansett Transport 7½ 92	50	101⅛	101½	0	+0½	7.30
Asian Dev. Bank 8 90	80	†102	102½	−0⅛	+1⅛	7.63
Australia 6¾ 93	100	101½	101⅞	0	+0½	6.54
Belgelectric 7½ 91	80	†99⅜	100	−0⅛	−0⅛	7.51
Bell Canada 7¼ 93	100	103⅛	103½	+0⅛	+0⅛	6.82
Bat-de Autopistas 8 90	60	99	99½	0	+0⅛	8.11
Denmark 7¼ 91	100	97	97⅛	0	+0⅛	7.67
Dome Petroleum 7¼ 90	100	101⅛	101⅝	+0⅛	+1½	7.04
EIB 7¼ 92	100	99½	99⅞	+0⅜	+1⅛	7.30
Elec de France 7 92	100	98⅞	98⅞	+0⅛	+0⅛	7.20
ENEL 8 92	44	99⅜	100	+0½	+1⅛	8.02
Genstar 7 91	100	100⅛	101	0	+0⅛	6.86
I/S Elsam 8½ 91	60	103⅛	104	+0⅛	+1⅛	7.90
Japan Air Lines 7⅛ 91	100	102⅛	102⅞	+0⅛	+0⅛	6.85
Neder. Gasunie 8 91	100	106⅛	106½	0	+0⅛	7.06
Nippon T and T. 6¾ 92	100	100	100⅛	+0⅛	+0⅞	6.61
OKB 7¼ 91	100	99	99⅜	+0⅛	+0⅞	7.37
Oslo, City of 8 91	100	104	104½	0	+0½	7.38
Ost. Donaukraft 7 92	100	98⅛	98½	+0⅛	−0⅛	7.23
Saint Etienne 8½ 91	20	104½	105	0	+0⅛	7.78
Swed Ex. Cred 7¾ 91	75	96⅞	96⅞	+0⅛	+0⅞	7.76
TNT O/S Fin. 8 91	50	103⅜	104	−0⅛	+0⅛	7.42
Transcanada Pipe. 7 94	100	101⅛	101⅝	−0⅛	0	6.84
Unilever NV 7¼ 93	100	104⅛	104⅞	0	+0⅛	6.89
World Bank 7 90	100	98⅞	99½	−0½	+1½	7.16
World Bank 8 91	100	104⅛	104⅝	−0⅛	+1	7.32

Average price changes . On day +0⅛ on week +0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk 8¾ 91	15	99⅜	100⅛	+0⅛	+0⅛	8.30
Australia 6½ 88	20	91⅞	92	+0⅛	+0⅛	8.30
EIB 7⅛ 89	12	98⅛	99½	+0⅛	+0⅛	7.92
Finland, Rep. of 8⅛ 87	15	99⅜	100½	0	+0⅛	8.45
Int.-Amer. Dev. 8⅞ 91	15	101⅜	102⅜	+0⅛	+0⅛	8.51
New Zealand 8⅛ 87	15	99⅞	100⅞	+0⅛	0	8.27

Average price changes.. On day +0⅛ on week +0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Con. Utilities 17 96 C$	50	†97	97½	−1	−0⅛	17.49
CIBC 15¾ 89 C$	75	†94⅜	95⅛	+0⅛	+0⅛	17.00
Pancanadian 16½ 89 C$	65	†97	97½	−0⅞	+0⅛	17.16
Quebec 17½ 87 C$	50	†102½	103	−0⅛	+0⅛	16.64
Queb. Urban 16⅞ 86 C$	20	†100	101	0	0	16.52
Trdnm Cpn 16½ 88 C$	25	†97⅛	97⅝	+0⅛	+0⅛	17.20
Transalta 17 89 C$	50	†98⅛	98⅝	0	+0½	17.24
M. Bk. Dnmk. 9 91 EUA	25	86⅛	87⅛	−0⅛	−0⅛	11.20

OTHER STRAIGHTS (continued)	Issued	Bid	Offer	Change on day	Change on week	Yield
SOFTE 8¾ 89 EUA	40	78⅞	80⅛	0	+0⅞	12.80
U. Bk. Nwy. 9½ 90 EUA	18	92	93⅛	0	+0⅛	10.93
Algemene Bk. 10⅛ 86 Fl	60	99⅜	100	+0⅛	+0⅞	10.33
Amfas Group 12⅛ 86 Fl	40	103⅜	103⅞	+0⅛	+0⅛	11.18
Amro Bank 12 86 Fl	75	103⅛	103⅜	+0⅛	+1⅛	10.90
Amro Bank 12 86 Fl	60	103⅛	103⅝	+0⅛	+1⅛	10.96
Heineken NV 10 87 Fl	100	96⅞	97⅛	+0⅛	+0½	10.73
Pierson 10⅛ 86 Fl	50	98⅛	98⅝	+0⅛	+0⅛	10.73
Rabobank 12 86 Fl	50	102⅞	103½	+0⅛	+0⅞	11.01
Air France 14¼ 86 FFr	200	95⅛	96⅛	−0⅛	−0⅛	15.94
Bk. America 14½ 86 FFr	250	93⅛	94⅛	−0⅛	−0⅛	15.60
Charb'nages 13⅞ 85 FFr	400	94⅞	95⅞	0	−0⅛	15.52
EIB 14⅛ 88 FFr	300	90⅛	91½	0	−0½	16.57
La Redoute 14⅛ 85 FFr	125	91⅞	92⅞	0	−0⅛	17.20
OKB 14 86 FFr	400	93½	94½	0	−0⅛	16.15
Solvay et C. 14⅛ 86 FFr	200	94⅛	95½	0	−0⅛	16.58
Swed. E. Cr. 14⅛ 86 FFr	250	94½	96½	0	+0⅛	15.36
U. Max. Sts. 14 85 FFr	150	91⅞	92⅞	+0⅛	−0½	17.17
Acona 14 85 £	20	91⅛	92⅛	−0⅛	0	16.88
Beneficial 14⅛ 90 £	20	85⅞	86⅞	+0⅛	+0⅛	17.34
BNP 13½ 91 £	15	87⅜	88⅛	−0⅛	+0⅛	16.08
CECA 13½ 88 £	20	91½	92½	+0⅛	+1	15.46
Citicorp O/S 13½ 90 £	50	91⅞	92⅞	0	+0⅞	16.20
Fin. Ex. Cred. 13⅛ 86 £	15	92⅛	93⅛	+0⅛	+0⅛	16.25
Gen. Elec. Co. 12½ 89 £	50	87⅜	88⅜	+0⅛	+0⅛	15.34
Hiram Walker 14⅛ 86 £	25	95⅛	96⅛	+0⅛	+1⅛	15.65
Privatbanken 14½ 88 £	12	91⅛	92⅛	+0⅛	0	16.76
J. Rothschild 14⅛ 90 £	12	96	97	+1⅞	+2⅛	14.96
Royal Trustco 14 86 £	12	94⅜	95⅜	+0⅛	+0½	15.73
Swed. Ex. Cr. 13⅛ 86 £	20	93⅛	94⅛	−0⅛	+0⅛	15.77
Akzo 9¾ 87 LuxFr	500	89⅜	90⅜	+0⅛	+1⅛	11.67
Euratom 9⅛ 88 LuxFr	500	88	89⅛	+0⅛	+0⅛	12.53
Eurofima 10⅛ 87 LuxFr	500	93⅞	94⅞	+0⅛	+0⅛	11.89
EIB 9⅛ 88 LuxFr	600	89½	90½	+0⅛	−0⅛	12.21
Volvo 9⅛ 87 LuxFr	500	89½	90⅛	+0⅛	+1⅛	12.28

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Bank of Montreal 5¼ 91	0¼	99⅜	99⅞	29/4	17.06	17.13
Bank of Tokyo 5¼ 91	0¼	100⅛	100⅝	10/6	13⅛	13.20
Bk. Nova Scotia 5¼ 93	0¼	99⅜	99⅞	29/4	17.06	17.11
BFCE 5¼ 88	0¼	99⅝	100⅛	26/4	16.94	16.96
BFCE 5¼ 87	0¼	99⅝	100	27/7	16⅛	16.27
Christiania Bk. 5½ 91	‡0¼	99⅜	99⅞	5/5	16	16.06
Co-Ben Eurofin 5½ 91	0¼	98⅞	99⅛	14/4	16.69	16.86
Den Norske Cred. 5½ 93	0¼	97⅛	97⅞	4/6	13.56	13.89
Genfinance 5¼ 92	0¼	99⅝	99⅞	30/6	15½	15.54
Giro und Bank 5¼ 91	‡0¼	99⅜	99⅜	23/3	14.06	14.13
GZB 5¼ 92	‡0¼	99	99½	5/3	13½	13.22
Ind. Bank Japan 5¼ 88	0¼	99⅝	100⅛	9/5	13.31	13.31
Lloyds Eurofin 5¼ 93	§0¼	99⅝	99⅞	29/4	17.13	17.19
LTCB Japan 5½ 89	0¼	99⅛	99⅝	16/7	15.31	15.39
Midland Int. Fin. 9 91	0¼	99⅝	100⅛	30/4	17.06	17.08
Nacional Fin. 5½ 88	0¼	†96⅝	97⅛	25/3	17.31	17.85
Nat. Bk. Canada 5¼ 88	0¼	99⅜	99⅞	24/3	17.31	17.38
Nat. West. Fin. 5¼ 91	§0¼	99⅛	99½	15/7	15.19	15.28
Nat. West. Fin. 5¼ 92	§0¼	99⅝	99⅞	23/4	17	17.04
Nippon Credit 5¼ 90	0¼	99⅜	99⅞	10/8	16.06	16.12
Nordic Int. Fin. 5½ 91	0¼	98⅞	99⅛	6/5	15⅝	15.86
Offshore Mining 5¼ 91	0¼	98⅜	98⅞	2/6	13	13.18
Pemex 6 91	0¼	96⅞	97⅛	8/4	17	17.53
PKbanken 5 91	0¼	98⅜	99⅛	17/6	14⅛	14.52
Sanwa Int. Fin. 5¼ 88	0¼	†99½	99⅞	24/3	17⅛	17.31
Scotland Int. 5¼ 92	0¼	98½	99⅛	23/3	13.94	14.10
Sec. Pacific 5¼ 91	0¼	98⅞	99⅛	24/5	13⅛	13.38
Societe Generale 5¼ 91	0¼	99	99½	22/7	15⅛	15.37
Standard Chart. 5¼ 91	0¼	98⅝	99	18/5	13.31	13.50
Sumitomo Fin. 5½ 88	0¼	99⅝	100⅛	9/8	16	16.02
Toronto Domin'n 5¼ 92	0¼	99⅝	100⅛	11/8	18⅛	18.40

Average price changes... On day 0 on week +0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5½ 96	7/81	933	90	91½	+2⅞	4.58
Bow Valley Inv. 8 95	4/81	23.12	86	97	−0⅛	50.83
Bridgestone Tire 5½ 96	3/82	470	87	88½	+0½	−4.70
Canon 6⅞ 95	1/81	829	99⅛	101½	+0⅛	7.01
Daiwa Secs. 5½ 96	12/81	513.3	†64	65	+0⅛	−4.78
Fujitsu Fanuc 4½ 96	10/81	6770	102⅛	103⅛	+3⅛	13.16
Furukawa Elec. 5⅛ 96	7/81	300	102½	103½	+2⅛	−3.47
Hanson O/S Fin. 9½ 96	8/81	1.36	†87	88	0	−6.50
Hitachi Cable 5⅛ 96	2/82	515	93⅞	95⅛	+3⅛	2.98
Hitachi Cred. Cpn 5 96	7/81	1773	78½	80½	+2	7.47
Honda Motor 5½ 97	3/82	841	85⅛	86⅛	+3⅞	7.79
Inchcape 8 95	2/81	4.55	†59½	61	0	16.38
Kawasaki 5⅛ 96	9/81	229	70	71½	+2½	11.11
Marui 6 96	7/81	931	97⅛	98⅛	+0⅛	10.94
Minolta Camera 5 96	10/81	909	65	66½	+1½	12.48
Minorco 9⅛ 97	5/82	8.16	92	93	−0⅛	9.70
Murata 5⅛ 96	7/81	2190	63⅞	65⅛	+2⅛	14.20
NKK 6½ 96	7/81	188	78½	80	+4½	−19.77
Nippon Chemi-C. 5 91	10/81	919	62⅛	64⅞	+0⅛	4.64
Nippon Electric 5⅛ 97	2/82	846	97	98⅛	+1⅛	12.24
Orient Finance 5⅛ 97	3/82	1567	91⅛	92⅞	+1⅛	9.57
Sanyo Electric 5 96	10/81	652	69	70½	−0⅛	2.52
Sumitomo Met. 5⅛ 96	10/81	305	70	71⅛	+1⅛	16.56
Swiss Bk. Cpn. 6⅛ 90	9/80	191	72⅛	73⅛	+0⅛	13.64
Konishiroku 6 90 DM	2/82	585	103⅞	104⅛	+7⅛	4.48
Mitsubishi H. 6 89 DM	2/82	263	95⅛	96⅛	+2⅛	12.32

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Stewart Fleming in Frankfurt reports on a regional success

W. German bank bucks profit trend

WHEN West German bankers shake off their traditional reticence and boast about the size of the loan loss reserves they have put aside for rainy days that might not come, it is certain their profits have been substantial.

Vereins und Westbank, a 125-year-old commercial bank based in Hamburg, is a good example. The bank in which the Bayerische Vereinsbank has a 25 per cent stake, has shown a net profit for 1981 of DM 26.4m ($11.1m), little changed from 1980. It promises to pay an unchanged dividend.

On the face of it, at a time when most of its bigger rivals have been watching their profit wither way and many have been cutting their dividends, the result is respectable. But on close examination it quickly becomes apparent that the bank has been running strongly against the tide, that profits have surged and has taken the opportunity to buttress its financial resources.

Whereas in 1980 it only put aside DM 8m to reserves against loan losses and securities write-offs, in 1981 the figure was DM 64m.

Part of the increase reflects provisions against its Polish exposure, which the bank says is in the "low double figure category." But with the bankruptcy rate in Germany still rising from its record 1981 level — and the international lending picture fraught with potential problems — Vereins und Westbank feels it is not the time to raise the dividend. Dr Hans Joachim, a managing board member, says improved earnings from lending as well as from bond and foreign exchange trading, should be used to strengthen published reserves.

Although relatively small in comparison with group assets of slightly more than DM 11bn, Vereins und Westbank is a powerful force in the limited region of north Germany in which it operates. In the area surrounding Hamburg and Schleswig-Holstein it has 260 branches offering retail as well as commercial banking services.

Whereas high German interest rates over the past two years have ripped gaping holes in the profit and loss accounts of most of the big commercial and public banks, Vereins und Westbank has been profiting from them.

Interest margins widened last year from 2.47 per cent to 2.67 per cent, raising profits even though lending volume virtually stagnated. It has not been caught with a hefty portfolio of unprofitable fixed interest term loans, so avoiding the greatest pitfall of the past few years for the German banking industry.

On the other hand in its region of north Germany, the economy is heavily weighted with medium and smaller sized companies where lending margins are fat. The medium-sized company is a target market for German bankers for this reason, but with its long experience in the region the bank is well-positioned to exploit it.

Vereins und Westbank is inviting tougher competition by pushing its branch network further south to Braunschweig and Göttingen, hoping to use its experience with medium-sized companies and its trade finance expertise—25 per cent of its non-bank loan book is trade finance—to expand. On the retail banking front the emerging electronic banking techniques and the strong market position of savings and co-operative banks are an increasing challenge.

Boost for Banca del Veneto

BY RUPERT CORNWELL IN ROME

BANCA Cattolica del Veneto, controlled by Sig Roberto Calvis' Banco Ambrosiano group, has underlined its ranking as Italy's most profitable bank by turning in net 1981 earnings of L71bn ($55m) compared with L50bn.

The bank's 55,000 shareholders will receive a dividend of 350 per share compared with L300 for 1980. They also provide a flying start for Cattolica del Veneto's admission—expected shortly—to full listing on the Milan Bourse.

The further improvement particularly reflects increased revenues from its portfolio management activities, more foreign business, and the introduction of services

Total deposits grew by 8 per cent to L3.30Sbn, in line with the national trend as bank clinets moved their savings from bank deposits to much higher yielding short-term Treasury bills.

A similar development is visible at Banca Nazionale del Lavoro, Italy's largest bank, controlled by the Government. Although its total balance sheet grew from L35,275bn to L40,128bn the 14 per cent growth was well below the 1981 average inflation rate of almost 19 per cent.

Kone doubles net profits

KONE CORPORATION, the Finnish manufacturer of lifts, cranes and materials-handling equipment, doubled net profits to FM 73.4m ($16.1m). Net sales rose to FM 2.21bn, an increase of 13.7 per cent.

Kone will maintain a dividend of 10 per cent. Orders increased by a quarter and stood at FM 2.27bn at the end of the year, writes our Helsinki Correspondent.

High hopes for French paper company

By Terry Dodsworth in Paris

LA ROCHETTE-CENPA, one of France's leading paper and pulp companies, aims to pull back into profit next year after a far-reaching reorganisation involving the injection of FFr 738m ($123m), half from the Government.

The company, in which the main shareholdings are split between the U.S. group Saint-Regis (28 per cent), and the two French banks Credit Agricole (21 per cent), and Paribas (21 per cent), is one of France's three big enterprises in this sector alongside Cellulose du Pin and Chapelle-Darblay, which is also being supported by public funds.

Consolidated losses last year amounted to FFr 280m on a turnover of FFr 2.6bn. This outcome follows an accumulated loss of FFr 130m in the five years to 1980.

La Rochette's hopes of a turnround rest on a vigorous reorganisation and investment policy which has involved the sale of its Norvillars plant in the east of France and the takeover of Saint-Gaudens, in the Toulouse area, when the GEC pulp group collapsed. It is also bringing on stream a new kraft pulp plant at Tarascon, in the south, which will be fully operational by 1983.

In the 1982/83 period the group intends to invest FFr 420m, partly in pulp production at Saint-Gaudens, and partly in cardboard and paper products. The company's results should also be helped by the rise in the dollar, which makes exporting from the U.S. more expensive.

An improvement in La Rochette's performance would clearly remove a major problem for the Government in the paper and pulp sector, where France suffers one of its largest deficits, and where most of the industry has been in difficulty for the last few years.

Talks are taking place with a number of manufacturers over a solution for Chapelle-Darblay's problems. These may involve links with Scandinavian producers, which have already done an extensive study on the French group, or with French companies, among which Beghin-Say and Aussedat-Rey appear to be the leading contenders.

PKbanken shows strong recovery with 60% boost

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

PKBANKEN, SWEDEN'S State-owned commercial bank, raised its operating profit by 60 per cent to SKr 873m ($152m) last year, showing a marked recovery from the poor 1980 result. In 1979 the operating profit was SKr 758m.

Consolidated group profits climbed from SKr 594m in 1980 to SKr 977m with both the Luxembourg subsidiary and the finance company reporting substantially improved earnings.

The board proposes to raise the dividend by SKr 2 to SKr 12 a share, having maintained a SKr 10 payment in the three previous years.

Credit losses are reported to have increased from SKr 35m to SKr 119m in 1981, partly as a result of the higher number of bankruptcies among Swedish companies. The bank is allocating SKr 570m from the 1981 profits to its credit loss reserves and SKr 75m to the reserve for foreign exchange.

PKbanken's strong profit growth in 1981—paralleled at the two big private Swedish banks—derives in part from a higher business volume and a slightly wider placement margin, which boosted net interest income by 30 per cent to slightly more than SKr 2bn.

At the end of December the bank's balance sheet totalled SKr 90.6bn ($15.7bn), having grown by more than 16 per cent during the year.

● Lower earnings on foreign currency trading hit the 1981 profits of Bergen Bank, Norway's third largest commercial bank. The bank turned in an operating profit, before loss write-offs, of only NKr 168m ($28m) last year, unchanged from 1980.

As average capital employed rose by 20 per cent last year, earnings as a percentage of average capital employed fell from 1.07 in 1980 to 0.88 in 1981.

The bank is paying a maintained 12 per cent dividend because of an NKr 18m tax refund. Total assets at the end of 1981 were NKr 20.1bn compared with NKr 17.7bn.

Growth for Finnish bank

BY LANCE KEYWORTH IN HELSINKI

UNION BANK of Finland raised net profit from FM 76m to FM 86m ($19m) in 1981. Dividends of 14 per cent on ordinary shares and 11 per cent on preference shares will be paid, plus bonuses of 2 per cent and 1 per cent respectively to mark the banks 20th anniversary.

Deposits increased by 15 per cent to FM 10.5bn and cheque accounts by 17 per cent to FM 2.4bn. Lending grew by 11 per cent and exceeded deposits by FM 1.7bn by the year end. The maximum permissible credit loss reserve was made of FM 94m, taking the total to FM 619m. The balance sheet total was FM 27.2bn.

Its subsidiary operations extend from the U.S. to Singapore and it has representative offices in Moscow, Sao Paulo, and Tokyo. It opened its third affiliated branch, American Scandinavian Banking Corporation. Group net earnings for 1981 totalled FM 77m.

71% fall in Danfoss income

BY HILARY BARNES IN COPENHAGEN

DANFOSS, the Danish manufacturer of hydraulic and temperature control equipment, reported a fall in group earnings for the year ended September 30 from DKr 435m ($55m) to DKr 124m ($15.6m).

Sales increased by 2 per cent to DKr 3.35bn ($423m), while parent company sales, covering sales in Denmark fell by 7 per cent to DKr 1.95bn. The sales performance did not live up to expectations, and the company was obliged to cut back the number of people employed in Denmark by 1,500 to 7,800.

Sharp rise in earnings at Banco de Bilbao

By Robert Graham in Madrid

BANCO DE BILBAO, Spain's fourth biggest commercial bank, raised pre-tax profits in 1981 by 38 per cent to Pta 10.9bn ($106m). Group pre-tax profits, including the bank's three principal subsidiaries — Industrial de Bilbao, Banco del Commercio and Huesca—were up 41 per cent at Pta 11.9bn.

Bilbao is the fourth of the seven major banks to announce 1981 results confirming the year's exceptional profitability. As with other banks, Bilbao made a heavy provision of Pta 15bn to cover doubtful and bad debts, amortisation and portfolio write-downs.

Sr Jose Angel Sanchez Asiain, Bilbao's chairman, attributed the improvement in profitability to tight control of costs. The bank was also helped by higher domestic interest rates and the continued strength of international business which accounted for 24 per cent of profits.

In a slack investment year Bilbao increased credits by 29 per cent to Pta 363bn. Total group investment topped Pta 118bn, of which Pta 60bn went to small- and medium-sized businesses. Bank liabilities rose by 17 per cent, slightly above the average for the big seven banks.

After taxes of Pta 2.8bn, Bilbao is to distribute Pta 4.5bn in dividends and will transfer Pta 3.4bn to reserves. The dividend total will be Pta 278 per share against Pta 198. Sr Sanchez Asiain said Bilbao, which last year unsuccessfully tried to buy into Grindlays Bank of the UK, is still looking for an important international banking stake.

Danish share sales

Net sales of Danish shares to foreign buyers rose to a record DKr 871m in 1981 compared with DKr 557m in 1980 and negative figures for several years previous to that, Hilary Barnes writes from Copenhagen. Gross sales to foreigners increased from DKr 725m in 1980 (easily the biggest figure since 1973 when Denmark joined the EEC) to DKr 1.25bn last year. Redemptions increased from DKr 168m in 1980 to DKr 383m in 1981.

Castlemaine Tooheys well ahead

By Graeme Johnson in Sydney

CASTLEMAINE TOOHEYS, the Australian brewer, has reported interim profits to January 31 of A$28.43m (U.S.$30.6m) after tax. The figure is 61 per cent up on the prior year's A$17.65m.

Interim dividend has been lifted from 10 cents to 13 cents on capital enlarged by both scrip and rights issues. The higher payout is covered by earnings per share up from 26.2 cents to 31 cents. Turnover for the period was 26 per cent higher at A$416.8m.

The company—formed by the 1980 merger between Queensland's Castlemaine Perkins and New South Wales' Tooheys—says continuing growing demand for its beer products is reflected in an increased national market share.

Profits for the last full year were A$37.71m (U.S.$40.6m)—a figure which Castlemaine looks likely to beat this year.

Santos more than doubles earnings

By Our Financial Staff

Santos, the Australian oil and gas producer, has reported an unaudited net profit of A$20.5m (US$22.1m) for 1981. The result more than doubles the A$9.8m (US$10.6m) seen in 1980.

Santos, whose board includes Mr Alan Bond, will pay a final dividend of four cents per share, making a total for the year of 10 cents. Last year's dividend totalled 13 cents, but the share capital this year has been increased by a two-for-one scrip issue.

Earnings per share for 1981 were 13.4 cents, against an adjusted 6.4 cents in the prior year.

Keppel lifts net profits

SINGAPORE — Profits at Singapore's government-controlled Keppel Shipyard rose 31 per cent in 1981 to S$99.1m (US$47m) after tax. Sales were 43 per cent higher at S$813m.

The company has declared a dividend of 25 cents per share, up from 20 cents last year, and proposes a one-for-four scrip issue.

AP-DJ

Singapore Airlines plans S$414m rights issue

BY KATHRINE DAVIES IN SINGAPORE

SINGAPORE AIRLINES is calling for S$414m (US$196.5m) from shareholders. SIA is 95 per cent owned by the Singapore Government through its Temasek holding company, which will be taking up the offer. Employees hold the balance of the shares, which are not publicly traded.

SIA will raise the money by a rights issue of 9 new shares for every 10 shares held at a price of S$3.90 per S$1 share. The company's present paid-up capital is S$117.8m. Its authorised capital of S$200m will be raised to S$500m.

Last December, SIA signed agreements with Boeing and Airbus Industrie for the purchase of 14 aircraft and options on four more. The purchases, said by SIA to be one of the largest in aviation history, were estimated to be worth US$1.8bn. They comprised eight Boeing stretched-upper-deck 747s and six A300 Airbuses, with options on a further two of each.

SIA has since chosen Pratt and Whitney engines to power the B747-SUDs, an order worth US$210m. But neither the planes nor the engines qualified for support from the U.S. Exim-bank, since the orders were not viewed as competing with a rival foreign supplier.

SIA denies that the order therefore became so expensive as to necessitate the new share offer. SIA argues that it is by most standards undercapitalised, with S$2bn (US$949m) of assets and S$115.4m (US$54.8m) of capital.

SIA is still in the black, unlike many other international airlines, but it saw a revenue drop of S$84m in the first seven months of its financial year. The slip was attributed by the airline to appreciation of the Singapore dollar, but senior executives of SIA have recently warned that a period of belt-tightening is now necessary if the airline is to remain profitable.

Group net profit for the year to March 1981 rose by 31.3 per cent to S$117m while the airline's profit was 38.6 per cent higher at S$94.8m.

Advances for Malaysian real estate companies

BY WONG SULONG IN KUALA LUMPUR

TWO MAJOR Malaysian real estate companies, Selangor Properties and United Estates Projects, have reported strong improvements in earnings despite a general slowdown in housing construction and higher interest rates.

Selangor saw pre-tax profits rise by more than 80 per cent to 18.1m ringgit (US$7.9m), while after-tax earnings were 170 per cent better at 14.3m ringgit (US$6.2m).

The group benefited from higher rentals on its office and residential properties, but the main reason for growth was the higher volume of sales during the year ended October.

The final dividend is set at 5 per cent, making a total of 10 per cent on the increased capital of 96m ringgit compared with 16 per cent on the old capital of 38m ringgit.

For United Estates Projects, net profits were 32 per cent higher at 25m ringgit (U.S.$10.9m) for the year ended December. Turnover was 79m ringgit compared with S2m ringgit, reflecting fewer houses sold, but at higher premiums.

The final dividend will be declared later.

Overseas Union bank hoists dividend

By Georgie Lee in Singapore

OVERSEAS UNION BANK, one of the big four Singapore banks, lifted group profits after tax by 44.86 per cent to S$47.08m (US$22.4m) in 1981. There was also an exceptional profit of S$5.82m (US$2.76m) on the sale of investments by a subsidiary.

Profits at the parent bank improved by 50.1 per cent to S$44.36m (US$21m).

OUB has proposed a final gross dividend of 6 per cent, making a total of 16 per cent compared with an adjusted 8.92 per cent.

Hong Kong offer for Hibernia Bank

BY OUR HONG KONG CORRESPONDENT

OVERSEAS UNION FINANCE of Hong Kong is believed to be negotiating to buy a controlling shareholding in Hibernia Bank of San Francisco for approximately US$73m.

Over-the-counter trading in Hibernia's shares was halted on Monday in San Francisco after unusually active trading lifted the price by two points to $25 bid and $29 offered. The National Association of Securities Dealers gave an official reason of "news pending."

The chairman of Hibernia Bancshares, the holding company for Hibernia Bank, said in San Francisco that he was holding negotiations with a Hong Kong-based financial institution which was offering about US$75 a share for an 80 per cent interest. Market sources in Hong Kong identified the bidder as Overseas Union Finance, a small registered deposit-taking company which is controlled by the Liem group of Indonesia. An official of the Hong Kong company said he was unable to comment at the moment.

The Liem group, one of the largest private industrial and commercial conglomerates in Indonesia, has announced plans to diversify its activities in the Asia-Pacific region.

Hibernia Bank, with assets of about $920m and deposits of about $790m, has 34 branches in the San Francisco area.

INTERNATIONAL APPOINTMENTS

Changes at Pan Am World Services

● PAN AM WORLD SERVICES, INC., a wholly-owned subsidiary of Pan American World Airways, Inc., has made a number of administrative changes: Mr Russell M. Barnes, senior vice-president of the subsidiary's aerospace and base support services division, and Mr Charles R. Borders, Pan Am vice president corporate planning, have been appointed to the world services board. Mr William J. Evans, system director Government affairs at Pan Am, has been elected vice president Government relations for world services.

Mr Harry McKillop, vice-president international at Braniff International Airways, has become vice-president general aviation services division.

In addition, World Services chairman, Mr James Montgomery's responsibilities have been expanded to that of chairman, president and chief executive officer of the subsidiary.

Mr Thomas J. Flanagan, president and chief executive officer, has been made executive vice-president - business development and Mr Alfred J. Westhoff, Jr., controller and assistant secretary of the subsidiary, has been given the additional responsibility of assistant treasurer.

● Mr Donald L. Corey has been appointed a vice president of TALLEY INDUSTRIES, Inc., Mesa, Arizona. He joined Talley in 1974 as controller and treasurer. He will continue to serve as treasurer.

● Mr Kenneth May has been appointed controller of TALLEY INDUSTRIES. He joined Talley in March of 1978 as director of planning and business analysis and was appointed assistant controller in 1981.

● Mr Billy C. Wood will become regional administrator of NATIONAL BANKS in region 13 (San Francisco), on May 1. He is deputy comptroller for multinational banking, a post he has held since November 1978, when the multinational banking division was established to supervise the nation's largest banks.

● Mr J. E. Noakes, on secondment from the Bank of England to THE BAHRAIN MONETARY AGENCY, has been appointed adviser to the Governor, Mr Abdulla Saif. Mr Noakes has for the past two years been adviser on banking control.

● Mr John Gilray Christy and Dr Thomas Franklin Keller have been elected directors of PENNWALT CORPORATION, Philadelphia. Mr Christy is president and chief executive officer of IU International Corporation, Philadelphia. Dr Keller is Dean of The Fuqua School of Business, Duke University, Durham, NC, where he is also the R. J. Reynolds Industries Professor of Business Administration and chairman of the Department of Management Science.

VONTOBEL EUROBOND INDICES
14.5.76 = 100%

PRICE INDEX	23.2.82	2.3.82	AVERAGE YIELD	23.2.82	2.3.82
DM Bonds	91.95	91.94	DM Bonds	9.846	9.832
HFL Bonds & Notes	95.71	95.74	HFL Bonds & Notes	10.839	10.794
U.S. $ Strt. Bonds	85.52	86.56	U.S. $ Strt. Bonds	14.608	14.467
Can. Dollar Bonds	90.55	89.99	Can. Dollar Bonds	15.034	15.182

WORLD STOCK MARKETS

Oils lead early Wall St fall

A SHARP retreat in very heavy early trading was seen on Wall Street yesterday. Oils and related issues led the way, still depressed by the UK decision to lower the price of North Sea oil by $4 a barrel.

The Dow Jones Industrial Average was above the worst at mid-session, registering a net decline of 8.75 at 817.07 at 1 pm, after falling more than 13 points in the first hour. The NYSE All Common Index weakened 86 cents to $64.28, with falls outpacing gains by a 10-to-three ratio. Volume further increased to 56.07m shares from Tuesday's 1 pm figure of 48.04m.

Analysts said investors were also nervous about the direction of short-term interest rates, following the increase in the broker loan rate on Tuesday to 15 per cent by two major banks.

Adding concern about interest rates was a gain in the Federal Funds Rate, on overnight loans between banks, to a high of 15¼ per cent from Tuesday's close of 14¾ per cent.

The oil price cut was the immediate cause for concern, however, as reflected in the sliding prices of almost every Oil and Drilling stock, as well as Railroads, which generally have large natural resource holdings.

Weakness in the Rails brought the Dow Jones Transportation index down nine points. **Norfolk and Western** lost 4⅜ to $45¼. **Missouri Pacific** 2¼ to $56, **CSX** 3¼ to $47 and **Burlington Northern** 1¼ to $46.

Standard Oil California ⅞ to $29⅞, **Standard Oil Ohio** 1⅜ to $29⅝, **Union Oil California** 1⅜ to $22 and **Hallburton** 1¾ to $35¼.

Technology issues also lost ground, with **IBM** shedding ¾ to $60½ and **Tandy** ¾ to $30½, both in active trading. **Digital Equipment** $2 to $83 and **Honeywell** 1¼ to $75⅜.

Sears rose ⅛ to $18⅝. It reported only slightly lower earnings.

Closing Prices for North America were not available for this edition.

THE AMERICAN SE Market Value Index dipped 6.10 to 262.35 at 1 pm. Volume 4.45m shares (2.55m).

Canada

Markets declined sharply over a broad front in active dealings yesterday morning, with Petroleum stocks predominantly weaker.

The Toronto Composite Index slipped 25.9 to 1,651.9 at noon, while *Oil and Gas lost 105.0* to 2,701.5, Golds 65.0 to 2,294.1 and Metals and Minerals 39.3 to 1,598.7.

Tokyo

Foreign investors flocked back to the Tokyo market yesterday, and together with bargain hunting by local investors, gave the market its fifth-largest one-day advance on record. This followed a particularly steep slide over the past seven business days.

The Nikkei-Dow Jones Average, after a seven-day drop of 449 points, rebounded 165.01 to 7,474.42. The Tokyo SE index retrieved 8.35 at 554.32, while a large turnover of 520m shares was recorded, well in excess of Tuesday's 300m.

Issues related to Government public spending led the steep *recovery on growing speculation* that the Government would adopt some measures to accelerate the sluggish domestic economy.

Construction companies, Housebuilders and Cement Makers were in good demand. **Nishimatsu Construction** gained Y44 to Y374, **Maeda Construction** Y35 to Y605, **Taisei** Y24 to Y300, **Sekisui Prefab** Y35 to Y695, **National House** Y17 to Y407, **Nippon Cement** Y12 to Y217 and **Osaka Cement** Y19 to Y199.

A strengthening of the yen against the U.S. dollar also encouraged sentiment, dealers noting that interest spread across recently heavily depressed export-orientated issues, large-capital stocks and other leading shares.

Traders said foreign investors actively hunted Blue Chips as well as Construction shares. They have remained net sellers since the last week of January, but some traders said it is likely that they may turn net buyers this week.

Sony rallied Y150 to Y3,250, **TDK Electronics** Y110 to Y3,520, **Olympus** Y26 to Y941, **Canon** Y24 to Y877 and **Honda Motor** Y25 to Y695.

Australia

Markets attempted a slight rally in late trading as bargain hunters bought up discounted leading stocks, but the small gains failed to stop the main *indicators ending modestly* lower.

The All Ordinaries index ended 2.3 off at 480.6, a new low since the index was started at the beginning of 1980. The All Resources index shed 3.7 to 358.8.

After opening lower on London selling, leading issues **BHP** and **CSR** rallied. **BHP** finished a net 2 cents harder at A$7.96, after A$7.86, while **CSR** gained 3 cents at A$3.18, after trading as low as A$3.05.

Market analysts, however, said the rally was on low volume and was unlikely to be sustained, while the main market index *would probably slide to 450* before the bottom is found.

Elder Smith ended only 3 cents up at A$4.28, after reaching A$4.38 on good profits, a higher dividend and a 50 per cent stock bonus issue.

Santos rallied 5 cents to A$4.50 in the Oil and Gas group, but among easier Gold Mining issues, **Poseidon**, on reporting a 90 per cent fall in half-year profits, declined 10 cents to A$1.40.

EZ Industries was cut back 45 cents to A$3.30 on declaring a rights issue to raise A$42.5m.

Hong Kong

The market's tailspin accelerated yesterday, with the indicator falling through a support level amid growing concern about the market's chances of righting itself in the near future. The Hang Seng index lost 35.08 to 1,196.69 in the regular Wednesday half-day session.

Combined turnover on the four exchanges was a modest HK$144.23m, but showed some improvement on the HK$139.23m recorded in the full-day's trading on Tuesday.

Analysts commented that the psychological barrier. Having breached it yesterday, they said there *is almost no* hope of a sustained recovery soon.

Several said they are still recommending Blue Chips, considered to be at bargain prices, but that there was little likelihood any buying could halt the market's slide.

The market was also hit by rumours that another small broker had run into difficulties meeting financial obligations, the second such incident in a week. While the rumours couldn't be confirmed, they were widely repeated, with the same broker being mentioned by all as the one in trouble.

Germany

Bourse prices were easier for choice as the rally of recent sessions was interrupted by profit-taking, brokers reported. They said the profit-taking combined with a slowdown in trading was expected and did not represent a break in the basically bullish direction of the market.

Stores were mostly higher against the trend, with **Kaufhof** up DM 4.90 at DM 145.50 and **Horten** DM 1.50 at *DM 113.50*.

Johannesburg

Gold shares weakened in moderate activity, depressed by the fall in the Bullion price to a two-and-a-half year low. **Vaal Reefs** retreated R2.75 to R64.75 and **Driefontein** R1.25 to R23.50.

Paris

Most shares relinquished some ground in moderate trading.

Traders said the only reaction to the UK's decision to slash the price of its North Sea oil by $4 a barrel was a run on the stock of Oil companies.

NEW YORK

Indices

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

NEW YORK ACTIVE STOCKS

COMMODITIES AND AGRICULTURE

Concern at cane sugar shortfall

By Our Commodities Staff

TATE & LYLE is worried that some African, Caribbean and Pacific countries may fail to fulfil their sugar supply quotas to the EEC, Lord Jellicoe, the chairman, told shareholders yesterday:

The company refines most of the 1.3m tonnes ACP countries supply to the EEC under the Lomé Convention.

Addressing the annual meeting Lord Jellicoe said there were sings that sugar production in certain ACP countries was falling. He sad t was a matter of vtal concern to Tate & Lyle that a system be agreed for reallocating quotas in the event of shortfalls.

"The ACP producers need us," he said. "But equally we need them. We depend on them not only for the sugar they *supply but also for the reliability* of that supply."

In Brussels, the EEC Commission granted export licences covering 45,250 tonnes of white sugar at its regular weekly export tender. It sat a subsidy level of 23.57 European currency units per 100 kilos, up *from 22.68 ECUs last week* reflecting the decline in the world market price.

The export allocation, which compared with 43,450 tonnes at last week's tender, was in line with trade forecasts and had no impact on the market.

Platinum at three-year low

FREE MARKET platinum prices fell to the lowest level since the beginning of 1979 on the London market yesterday. The sterling quotation was cut by £4.45 to £184.50 a troy ounce, and the dollar equivalent was $6.50 lower at $336.50.

This compares with the producer price of $475 charged by South African mines, which has not changed since September 1980, but is now under severe pressure.

The decline in platinum follows the fall in gold and sluggish industrial demand. Silver also was depressed by gold.

Iron ore rise

CLEVELAND CLIFFS Iron Company raised the price of Lake Superior iron ore pellets *to 86.9 cents per natural* iron unit per gross ton from 80.5 cents, effective immediately.

Soviets buy grain on credit

BY NANCY DUNNE IN WASHINGTON

THE SOVIET UNION, squeezed by low gold and oil prices and the cost of assisting the Polish economy, has been buying large amounts of U.S. and Australian grain on short-term credit, *government and private grain* officials say here.

Grain trade officials say Australia's sale of 1m tonnes of *wheat to the Soviets announced* last month used short term financing for the first time in several years. When private *financing was made available in* February for U.S. grain, the Soviet Union responded by making its first big maize purchases since mid-November, they said.

Heavy Russian buying of U.S. maize last month has eased fears that President Reagan's sanctions would deter Soviet purchasing of U.S. grain but, according to the U.S. Wheat *Associates the Soviets have paid* for some of their imports with 180-day drafts.

Normally, the Soviets pay cash to buy grain by selling gold, but gold is now at a three-year low, oil prices have been declining and Moscow has to bear the additional costs of financing the massive West European natural gas pipeline.

According to Mr Michael Hall, of the U.S. Corn-Growers Association, *the purchasing* has put some stability into the underlying prices on the Chicago futures market, where maize in *the near months* is now selling at about $270 a bushel.

The Russians last month bought 1.4m tonnes of maize here, bringing their total of U.S. grain purchases to 12.1m tonnes out of the 23m tonnes they have been offered by Mr *John Block*, the U.S. Secretary of Agriculture.

However, last month's rate of heavy buying of U.S. maize is not expected to continue, according to one agriculture department official. The department estimates that the Soviets have bought about 19m tonnes of wheat, although they were expected to buy in the July to June crop year.

Of the 22m tonnes of feed grain they were expected to purchase, about 20m has now been bought.

● World cereal carryover *stocks at the end of the 1981* crop year fell to 223.3m tonnes from 252.4m at the end of 1980, preliminary figures from the food and agricultural organisation (FAO) in Rome show.

Copper prices hit by U.S. gloom

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES slumped to the lowest level since early January on the London Metal Exchange yesterday. Higher-grade cash copper fell by £12 to £840 a tonne. London opened easier following the downward trend in New York overnight and was further depressed by news of a sharp decline in U.S. *housing starts in January.* Several U.S. producers, led by Asarco, cut their domestic selling prices to 74 cents a lb just after others had just moved down to 75 cents. Reports of *clashes on the Zambia/Zaire* copperbelt were ignored.

Cash tin dipped below £7,000 for the first time since last July, reaching a low of £6,960 before rallying to close at £7,080 a tonne on buying interest, believed to be on behalf of the buffer stock of the *International* Tin Council. Three months was boosted to £7,295 a tonne, but once again was hit by selling at the close of late kerb trading.

Reported covering against *Russian purchases* pushed lead higher, with the cash price reaching a peak of £343 before closing at £337 a tonne, £3.5 up on the day. Zinc was encouraged by the firm trend in lead and the decision of producers to cut their European quotation to $900 rather than $875 a tonne. West German smelters, however, said they had no plans to move from $875 to $900.

Malaysia to seek tin quotas

MALAYSIA is to seek tin export controls and aggressive buying by the bufferstock manager at Monday's session of the International Tin Council in London.

The session has been called to discuss support measures because of the dramatic plunge in the tin price in the past week following what was believed to be the withdrawal of the myterious buyer from the market.

Export control measures are introduced only as a last resort, but Datuk Paul Leong, Malaysia's Primary Industries *Minister, said in Kuala Lumpur* yesterday that only the combination of aggressive bufferstock buying and export controls *could* halve the price fall and reduce the huge tin surplus on the market.

He said there was already a surplus of over 20,000 tonnes, and the U.S. could sell another 22,000 tonnes from its stockpile.

"The conclusion from this *simple arithmetic is obvious.* Buffer stock buying alone will not be sufficient to bring the situation into balance or to ensure remunerative prices to producers," he said.

The Malaysian minister strongly criticised U.S. action on tin, saying the U.S. was largely to blame for the weak tin price and the atmosphere of distrust and confrontation between producers and consumers.

He said the U.S. had broken many rules as well as pledges given to tin producing countries by persistently selling its stockpile tin on an already surplus market.

Datuk Leong said that during the first four international tin agreements, when the U.S. was not a member, producers and consumers co-operated harmoniously. In Retrospect, however, *it appeared that many of* the U.S. actions were designed to sabotage the sixth international tin agreement, the future of which was now in much doubt.

The last date for ratification of the agreement is April 30, and the mining ministers of Malaysia, Thailand and Indonesia — the three Asean members which account for 65 per cent of the world's tin *exports—would* meet in Kuala Lumpur in the first week of May to discuss fallback measures if the agreement fails to get the necessary votes for operation.

Reuter

Sharp fall in gasoil futures

By Our Commodities Staff

GASOIL futures prices fell heavily on London's International Petroleum Exchange yesterday as the market experienced the briskest business in its 11-month history.

The March position fell $8.75 to a record low of $243.25 a tonne. This followed a $2 fall on Tuesday after the British National Oil Corporation's *offer to reduce its crude* oil price by $4 a barrel. Turnover reached a record 3,956 lots of 100 tonnes.

The decline in futures prices reflects recent slack trading on the Rotterdam spot oil market. Traders there have described recent consumer buying as "negligible."

Consumers are buying on a hand-to-mouth basis and keeping their stocks to a minimum *they said. They have been doing this for several months and show no signs of changing.*

While Rotterdam trading has been very thin, London futures dealers are delighted that their market has achieved record volume in spite of the decline in prices.

Tokyo date for gold futures market to start

THE TOKYO gold exchange will hold its first futures trading in gold on March 23.

However there will be only one price-fixing session that day instead of the six planned daily sessions becouse of the *opening* ceremony.

Normal trading will start on *March 24 in five monthly positions* for April onward. A September position will be added in April.

Sri Lanka tea output up 9.8%

SRI LANKA'S tea production increased by 9.8 per cent to 210.1 kilos in 1981, the highest level since 1977 when production was 208.6m kilos.

The performance report for 1981 of the Plan Implementa*tion* Ministry said rubber production fell to 123.6 kilos in 1981, about 7 per cent less than in 1980.

Coconut production in 1981 was 2,258m nuts, 11 per cent more than 1980.

MARKET PROFILE

Wool defies the trend

BY A CORRESPONDENT

AMONG THE generally depressed "soft" commodity markets, wool continues to defy the trend. Trading on the London crossbred wool futures market last year doubled, compared with 1980, to over 11,500 contracts and closed 1981 with a record number of 6,000 "open" positions. At the auctions in Australia and New Zealand *prices* have been moving up again.

Since a new contract for futures trading in New Zealand crossbred was introduced by the London Wool Terminal Market Association 18 months ago, business has steadily grown and 1982 is expected to see further progress as wool continues to impress international speculators with its buoyancy in physical markets and producers and users turn *increasingly to* futures as a safeguard against fluctuations in exchange and interest rates.

During the past year crossbred wool futures has displayed the sort of volatility on which speculation thrives, prices on many trading days having fluctuated *by as much* as 10 New Zealand cents a kilogramme.

A fillip for the market recently was the admission to the Association of 10 full New Zealand floor members. In bringing New Zealand into the picture as an extension of its own trading floor, the Association made crossbred wool the first commodity to be available for round-the-clock dealing in the two hemispheres, the London floor being deemed to move to New Zealand during the southern-hemisphere working day.

The Association is now considering applying the latest communications technology to a further extension of the market as an adjunct to open-outcry trading in London.

While the volume of trading has grown, the average price of futures contracts for crossbred wool declined somewhat during the year, suggesting more caution by dealers than would seem warranted in the light of *wool's performance in* the auction rooms.

During the first six months of the 1981/82 season, 105m kg of NZ wool were auctioned for NZ$281.8m—a sum 7.5 per cent higher for a weight only 2 per cent greater than in the corresponding period of 1980/81.

Massive purchases of crossbred wool by China and Russia for such end-uses as carpets, blankets, furnishing fabrics and bulky apparel make producers confident of staying ahead of rival synthetics, and record quantities of wool are being produced and sold at prices which are more than keeping up with inflation.

A similar disparity between physicals and futures has existed in respect of the fine *merino wool* of which Australia is the main source, and futures trading in which takes place on the Sydney futures market. Lately that market has been depressed even though merino finished 1981 with prices higher than the record levels of 1980.

But in merino, too, sharp rises at auctions last week may have signalled a quickening of interest in futures dealing.

There seems little ground for pessimism about the foreseeable future. Addressing the International Wool Textile Organisation earlier this month, Mr David Asimus, the chairman of the Australian Wool Corporation, said that wool as a commodity was in good shape and the envy of other industries. He expected to see some growth soon in leading national economies, with benefits to wool textile industries. The Australian producers were better organised than 10 years ago and the Commission's present stockpile of 500,000 bales was a potentially useful quantity for market stabilisation.

Even the Australian Bureau of Agricultural Economics, striving to compensate for earlier over-optimism, thinks prices will remain stable for the rest of this year and ease by no more than seven per cent in real terms, after inflation has been allowed for, by the end of the decade.

Strong halfbred fleece wool prices in Christchurch were yesterday 5 per cent above those at the last fine wool sale in Dunedin on February 25, and the New Zealand Wool Board had less than 1 per cent sold or passed to it. General competition prevailed with keen demand on strong halfbred fleece. Principal buyers were western and eastern Europe supported by the Far East and local mills.—Reuter.

More potatoes released

BY RICHARD MOONEY

WITH POTATO producer prices currently well above the official support level the Potato Marketing Board has decided to release another block of supplies contracted to it by growers under the 1981 buying pro*gramme.*

To ensure that the market is not too heavily over-supplied, the Board contracts to take a proportion of the crop at a guaranteed price—£50 this year. If prices fall below the guarantee level, which is underwritten by the Government, the PMB takes delivery and holds the potatoes off the market. If prices recover they may be sold back to growers, if not they may be used for stock feed.

Under the 1981 programme producers contracted 213,121 tonnes to the Board. Of that total 158,394 has already been *released and the Board* announced yesterday that it was releasing another 32,335 tonnes contracted for delivery in March.

Growers are currently getting between £70 and £135 a tonne, depending on grade and variety, with a small amount of top quality produce fetching up to £160 a tonne.

Water board seeks to curb salmon fishing

THE Welsh Water Authority is seeking to curtail commercial salmon and sea trout fishing in the country's river estuaries.

The authority, which stressed its principal interest is to preserve fish stocks, will give evidence at two public inquiries before a Welsh Office *inspector next month.*

In 1980, 169 licensed holders netted almost 7,300 salmon and 12,300 sea trout while 22,000 rod and line fishermen managed to catch only 50 per cent more.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER was depressed by easier New York, fall in U.S. housing starts and more producer price cuts. Three months opened at £875 and closed at low of £868. Lead was boosted by trade buying and pushed zinc up too. Cash tin hit low of £6,960 before rallying: three months tin fell on late kerb to £7,210.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
HighGrade				
Cash	843-.5	—7.5	839.5-40.5	—12
3 mths	872.5-3.5	—8.25	869-.5	—12.5
Settlem't	843.5	—7.5	—	......
Cathodes				
Cash	842.5-3	—7.25	838-40	—12
3 months	869-.70	—7.75	866-7	—11¾
Settlem't	843	—7.5	—	......
U.S. Prod	—	—	*76.5-82	......

Amalgamated Metal Trading reported that in the morning higher grade cash copper traded at cash £844.00, 43.50; three months £874.50, 74.00, 73.00, 72.50, 72.00, 72.50, 72.00, 72.50, 73.00. *Cathodes: Cash £842.50,* three months untraded. Kerb: Higher Grade, three months £873.50, 73.00, 72.50, 72.00, 72.50, 73.00. Cathodes untraded. Afternoon: Higher Grade, three months £870.00, 70.50, 70.00, 69.00, 70.00, 69.50, 69.00, 68.50. Cathodes untraded. Kerb: Higher Grade, three months £869.00, 68.50, 68.00. Turnover: 25,075.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6960-70	—40	7070-80	—16
3 months	7205-10	—7.5	7290-300	+90
Settlem't	6970	—40	—	......
Standard				
Cash	6960-70	—40	7070-90	—10
3 months	7205-10	—7.5	7290-300	+90
Settlem't	6970	—40	—	......
Straits E.	‡$30.12	—	—	......
New York	—	......		

Tin—Morning: Standard, cash £6,970, 60, 70; three months £7,220, 30, 40, 20, 7,200, 05, 10. Higher Grade untraded. Kerb Standard, three months £7,210, 30. Afternoon: Standard, cash £7,040, 70; three months £7,20, 30, 04, 50, 60, 80. *Higher Grade untraded.* Kerb: Standard, three months £7,280, 50, 40, 50, 80, 50, 40, 20, 10. Turnover: 2,795.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	342.5-3	+10	336.5-7.5	+3.5
3 months	348.5-9	+8.75	343.5-4	+1.5
Settlem't	343	+10	—	......
U.S. Spot	—	......	*28	......

Lead—Morning: Cash £340.00, 41.00, 42.00; three months £343.00, 42.50, 42.00, 43.00, 44.00, 45.00, 45.50, 46.00, 47.00, 47.50, 48.00, 48.50. Kerb: Three months £348.50, 48.00, 47.00, 48.00, 47.50. *Afternoon:* Three months £346.00, 45.00, 46.00, 45.50, 45.00, 44.00. Kerb: Three months £343.00, 42.00, 41.00, 41.50, 42.00, 42.50. Turnover: 14,900.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	435-6	+6	435-6	+5.75
3 months	442.5-3	+7	442-3	+5.12
S'ment	436	+8	—	—
Primw'ts	—	......	*42.75-3.75	—

Zinc—Morning: Three months £438.00, 39.00, 39.50, 39.00, 40.00, 41.00, 42.00, 41.50, 41.00, 42.00, 42.5. *Kerb:* Three months £442.5, 43.00, 43.50, 43.00. Afternoon: Three months 442.00, 41.50, 42.00, 41.00, 42.00, 42.50. Kerb: Three months £441.50, 42.00, 42.50, 43.00, 42.50, 42.00. Turnover: 13,675.

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	580-2	+0.5	580-2	—1.5
3 months	603-4	—0.25	603.5-4	—1

Aluminium—Morning: Three months £604.00, 03.50. Kerb: Three months £604.00. Afternoon: Three months *£603.50. Kerb: Three months £602.50.* Turnover: 5,075.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	3145-55	+10	3125-30	—17.5
3 months	3155-60	—5	3140-5	—25

Nickel—Morning: Three months £3,150, 55, 60. Kerb: Three months £3,160. Afternoon: Cash £3,130; three months £3,155, 50. Kerb: Three months £3,140. Turnover: 408.

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

Silver was fixed 7.7p an ounce lower for spot delivery in the London bullion market yesterday at 427.25p. U.S. cent equivalents of the fixing levels were: spot 778c, down 14.2c; three-month 805.3c, down 14.4c; six-month 834.6c, down 14.4c; and 12-month 895c, down 14.1c. The metal opened at 427-431p (778-783c) and closed at 420-424p (767-772c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	427.25p	—7.70	421p	—10
3 months	441.65p	—7.55	435.75p	—9
6 months	455.55p	—7.75	—	......
12months	485.55p	—7.85	—	......

LME—Turnover 59 (253) lots of 10,000 ozs. Morning: three months 442.0, 41.5, 41.8, 40.5, 41.0, 42.0. Kerb: three months 441.5. Afternoon: three months 437.0, 36.5, 35.5, 36.0, 35.5. Kerb: three months 436.0, 35.6.

COCOA

COCOA	Yes'rday's Close	+ or —	Business Done
March	1167-68	—2.0	1175-65
May	1136-37	+1.0	1144-36
July	1156-58	+3.5	1161-55
Sept	1174-76	+1.0	1180-75
Dec	1195-96	+2.0	1198-94
March	1216-18	+2.5	1218-15
May	1225-30	+2.5	1232

Sales: 1,169 (2,410) lots of 10 tonnes.

ICCO—Daily price fob March 3: 92.33 (91.82). Indicator price for March 4: 93.18 (93.79).

COFFEE

A notable increase in physical interest together with constructive chart patterns were the major factors behind a firm session, reports Drexel Burnham Lambert. Nearby positions were particularly strong.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1417-20	+15.5	1426-90
May	1322-24	+25.5	1327-85
July	1261-62	+18.0	1262-38
Sept	1227-28	+9.5	1230-11
Nov.	1210-15	+7.5	1214-98
January	1204-10	+4.0	—
March	1185-08	+4.0	—

Sales: 4,265 (2,825) lots of 5 tonnes.

ICO Indicator prices for March 2 (*U.S. cents per pound*): *Comp. daily* 1979 134.04 (133.35); 15-day average 135.59 (135.45).

GAS OIL FUTURES

Prices continued to weaken sharply, meeting little support until the lows were reached, when short-covering fuelled a brief rally. The market later eased back again in record volume, reports Premier Man.

Month	Yesterdys close	+ or —	Business Done
	$ U.S. per tonne		
March	259.00	—6.75	265.25-57.25
April	243.25	—8.75	251.75-43.00
May	239.25	—7.75	245.00-38.00
June	239.25	—8.00	245.00-38.50
July	240.00	—11.00	244.00-33.00
August	241.00	—11.75	245.00-38.00
Sept.	245.00	—9.00	250.00-45.00
Oct.	246.50	—10.50	—
Nov.	249.25	—10.00	—

Turnover, 3,855 (2,029) lots of 100 tonnes.

GRAINS

The market opened unchanged and *remained quietly steady all morning.* Commercial buying of spot position against exporter buying of May firmed old wheat while barley made lighter gains. New crops continued buying, Acli reports.

WHEAT			BARLEY	
Mnth	Yesterd'ys close	+ or —	Yest'rd'ys close	+ or —
Mar.	111.35	+0.60	107.10	+0.85
May	115.30	+0.55	111.00	+0.35
July	119.05	+0.55	—	—
Sept.	106.85	+0.20	102.45	+0.15
Nov.	110.55	+0.20	106.30	+0.25
Jan.	114.35	+0.20	110.05	+0.30

Business done—Wheat: Mar 111.35-111.10, May 115.35-114.75, July 119.05-118.50, Sept 106.80-106.65, Nov 110.60-110.35, Jan 114.20-114.15. Sales: 180 *lots of 100 tonnes.* Barley: Mar 107.10-106.85, May 111.15-110.90, Sept 102.45-102.30, Nov 106.30-106.20, Jan 110.00 only. Sales: 53 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent Mar *121, April 112, May 110.50 transhipment* East Coast sellers. U.S. Hard Winter 13½ per cent Mar 116.50 transhipment East Coast. English Feed fob Mar 113, April 115.75 sellers East Coast, April/June 118 paid seller. Maize: French second half Mar 133 transhipment East Coast seller. South African White April/May 79 seller. South African Yellow April/May 79 seller. Barley: English Feed fob Mar 112, Sept 105, Oct/Nov 109.75 sellers East Coast. Mar 111.25 East Coast seller. Rest unquoted.

HGCA—Locational ex-farm spot prices. Other milling wheat: E Mids 110.00, N East 111.00. Feed barley: Eastern 107.50, E Mids 107.20, N East 107.20, Scotland 107.60. The UK Monetary Coefficient for the week beginning Monday March 8 is expected to remain unchanged.

RUBBER

The London physical market opened about unchanged, attracted little interest throughout the day and closed *quiet. Lewis and Peat recordd a March* fob price for No. 1 RSS in Kuala Lumpur of 198.5 (197.0) cents a kg and SMR 20 178.5 (178.0).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
April	47.30-47.60	47.30-47.60	—
May	48.30-48.50	48.30-48.50	48.50
Apl-Jne	48.00-48.20	48.20-48.30	48.40-48.10
Jly-Sept	51.70-51.80	51.70-51.80	52.10-51.50
Oct-Dec	54.50-54.60	54.50-54.80	55.00-54.30
Jan-Mar	57.40-57.50	57.50-57.80	58.00-57.70
Apl-Jne	60.20-60.40	60.20-60.30	60.30
Jly-Sept	63.00-63.20	63.10-63.50	63.20
Oct-Dec	66.00-66.10	66.00-66.50	66.70-66.00

Sales: 238 (426) lots of 15 tonnes, 4 (same) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 46.75p (46.50p); April *48.50p (48.25p); May 49.50p (49.25p).*

SOYABEAN MEAL

The market opened easier on stronger sterling, reports T. G. Roddick. Quiet cash markets covered with trade selling pushed values lower.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
April	130.00-30.5	—2.00	132.40-31.00
June	128.50-28.7	—1.50	129.00-28.00
August	128.40-28.7	—1.80	130.70-28.40
October	129.50-30.0	—1.80	130.80-30.70
Dec	132.00-33.0	—1.00	133.50
Feb	133.00-35.0	—1.75	—
April	133.00-37.0	—1.00	—

Sales: 119 (179) lots of 10 tonnes.

COTTON

LIVERPOOL—Spot and shipment sales amounted *to* 20 tonnes. Very restricted operations took place, with a limited inquiry in most growths. Spinners avoided forward commitments, and not more than modest contracts were under review in African and South American qualities.

SUGAR

LONDON DAILY PRICE—Raw sugar £159.00 *(£162.00)* a tonne cif March-April shipment. White sugar daily price £169.00 (£171.00).

The market continued to decline despite more buying interest developing at the lower levels, reports C. Czarnikow.

No. 4 Contract	Yesterday close	Previous close	Business done
	£ per tonne		
May	159.40-60.45	165.20-65.25	166.00-60.00
Aug	165.25-65.40	167.10-67.50	167.75-65.20
Oct	166.25-66.40	170.50-70.95	170.25-66.25
Jan	167.50-68.50	171.50-73.00	—
March	172.40-72.90	176.50-76.75	177.00-72.80
May	174.75-75.00	179.10-80.00	176.50-75.50
Aug	176.50-80.00	180.00-84.00	—

Sales: 6,127 (2,957) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £374.00 (same) a tonne fob for home trade and £268.50 (£272.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for March 2: Daily price 12.09 (12.42); 15-day average 12.91 (12.97).

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. March 402, 412, 404; May 420, 425, 423-419; Aug 440, 442, 441-434; Oct *438, 442, 441-436; Dec 439, 442, 444-*441; Jan 440, 443, 448-441; March 450, 451, 454-450; May 456, 457, 450-450, Aug 466, 467, 468-465. Sales: 164.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Mar *512.0*, 513.0, 513.0-511.0; May 515.0, 516.0, 516.5-515.0; July 526.0, 526.5, 526.5-525.5; Oct 520.0, 520.5, 520.0; Dec 525.0, 526.0, 525.0-524.5; Mar 530.0, 531.0, 530.0; May 534.0, 535.0, untraded; July 540.0, 541.0, 540.0. Sales: 60.

POTATOES

LONDON POTATO FUTURES—The market opened easier, traded in a £2 range in quieter conditions and closed near the lows, reports Coley and Harper. Closing prices: April 144.10, *−1.80 (high 146.20, low 144.00); Nov* 67.00, +0.20 (high 67.00, low 66.90); Feb 77.30, unchanged (untraded). Turnover: 462 (939) lots of 40 tonnes.

*

HIDES—Leeds: the market continued to weaken. Second clears. Ox: 31-35.5 kg, *58.0p a kg withdrawn (60.3p a kg); 26-30.5kg, 61.5p a kg withdrawn (66.0p a kg); 22-25.5kg, 75.6p a kg (76.0p a kg). Light cows: 25.5kg, *71.5p a kg withdrawn (74.0p a kg).*

MEAT/VEGETABLES

MEAT COMMISSION—Average Fatstock prices at representative markets. GB—Cattle 102.25p per kg lw (+0.03). UK—Sheep 207.01p per kg est dcw (+1.82). GB—Pigs 77.18p per kg lw (−0.14).

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 85.5 to 88.5; Ulster hindquarters 94.0 to 99.0, forequarters 68.0 to 70.0. Veal: Dutch hinds and ends 118.0 to 125.0. Lamb: English small 83.0 to 86.0, medium 83.0 to 88.0, heavy 82.0 to 84.0; Imported: New Zealand PL 66.5 to 67.0, PM 67.0 to 67.0, YLs 65.0 to 68.0. Pork: English, under 100 lb 41.5 to 56.0, 100-120 lb 45.0 to 56.0, 120-160 lb 41.0 to 53.5.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated: Imported Produce: Oranges—*Spania:* Navels 42/120 4.60-5.30; Cyprus: Shamouti 3.50-4.00; Jaffa: Shamouti 60/168 4.70-5.60; Moroccan: Navels 48/113 3.80-4.50. Mandarins—Spania: 4.00-4.80, Karas 4.80-5.50. Wilkings—Spania: 4.20-4.80. Minneolas—Cyprus: 53/72 5.50-6.50. Lemons—Cyprus: 2.50-*3.00; Spania 40/50 1.60-2.00; Italian:* 80/120 4.00-5.00; Jaffa: 105 4.80; U.S.: 6.00. Grapefruit—U.S.: Texas Ruby 6.50-7.00, Florida Ruby 8.00; Cyprus: Large cartons 3.00-4.00, small cartons 2.50-3.20; Jaffa: 36/88 3.50-4.90. *Ortanique—Jamaican: 64/126 6.50-8.00.* Apples—French: New crop, *Golden* Delicious 20-lb 3.00-3.80, 40-lb 6.00-6.00, Stark Crimson 40-lb 7.00-9.00, 20-lb 3.40-4.60, Granny Smith 10.00-10.60; Canadian: Red Delicious 9.50-12.00, Spartans 20-lb 5.00, McIntosh Reds 20-lb 6.20; U.S.: Red Delicious 10.00-14.00. Pears—Dutch: Comice 14-lb, per tray 4.00-4.20; S. African: Williams' Bon Chretien 6.60-8.50; Italian: Per pound Passacrassane 0.14-*0.17. Peaches—S. African: 3.00-3.60.* Nectarines—Chilean: 8.50-9.00. Plums—S. African: Per pound Songold 0.30-0.60, Wicksons 0.30-0.40, Harry Pickstone 0.30-0.45, Gaviota 0.25-0.50, Kelsey 0.30-0.45. Grapes—Chilean: Thompson 11-lb 8.50; S. African; Dan Ben Hannah 5.80-6.00; Alphonse 6.30-6.50, Waltham Cross 8.00; Brazilian: Italia 11-lb 8.50; U.S.: Red Emperor 0.45-0.50. *Strawberries—Israeli: 0.55; U.S.:* 1.10; Spanish: 0.40-0.50. Melons—Brazilian: Yellow 9.00-11.00, Green 9.00-11.00; S. African: White 9.00-10.00; Chilean: Green 18.00. Pineapples—Ivory Coast: Each 0.35-1.00. Bananas—Colombian: Per pound 0.20-0.22. Avocados—Israeli: 4.00-4.50; Canary: 4.00-4.50; U.S.: 4.60-4.80; S. African: 5.50. Mangoes—Kenyan: 8/16 5.00-5.50; Peruvian: 9.00. Dates—Tunisian: *30s 0.45-0.50; U.S.: 0.43-0.45.*

English Produce: Potatoes—Per 55-lb, White 2.60-3.30, Red 2.70-3.70, King Edwards 3.10-4.00. Mushrooms—Per pound, open 0.30-0.40, closed 0.50-0.60. Apples—Per pound, Bramley 0.18-0.26, Cox's 0.22-0.32, Spartans 0.20-0.25, Russets 0.20-0.25. Pears—Per pound Conference 0.14-0.22, Comice 0.22-0.30. Cabbages—Per 30-lb bag, Celtic/Jan King 2.00-3.00. Lettuce—*Per 12, round* 1.00-1.80. Onions—Per 55-lb 40/80mm 2.00-2.80. Carrots—Per 26/28-lb 1.40-2.00. Beetroots—Per 28-lb, round 1.00-1.20, long 1.50-1.80. Swedes—Per net 0.80-1.00. Sprouts—Per 20-lb 2.00-3.00, Rhubarb *—Per pound, 14-lb box 0.25-0.27.* Leeks—Per 10-lb 1.00-1.40. Parsnips—Per 26/28-lb 1.00-1.40. Turnips—Per 26/28-lb 1.00-1.30. Tomatoes—Per pound D/E 0.40-0.50. Cucumbers—Per package 4.50-6.00.

*

GRIMSBY FISH—Supply good, demand good. *Prices at ship's side* (unprocessed) per stone: Shelf cod *£3.60-£4.30, codlings £2.70-£4.00;* Large haddock £3.80-£4.20, medium £3.60-£4.30, small £2.20-£2.50. Large plaice £2.80-£3.60, medium £2.00-£3.00, best small £2.50-£3.40. Lemon soles (large) £13.50, (medium) £11.50. Rockfish £3.00. Saithe £1.80-£2.00.

PRICE CHANGES

In tonnes unless otherwise stated.

	Mar. 3 1982	+ or —	Month ago
Metals			
Aluminium	£810/815	....	£810/815
Free Mkt.	$1045/1075	....	$1110/140
Copper			
Cash h grade	£840	—12	£862.25
3 mths	£869.25	—12.5	£891.75
Cash Cathode	£839	—12	£858.5
3 mths	£866.5	—11.75	£888
Gold troy oz	$353.5	—7	$378.25
Lead Cash	£337	+3.5	£336
3 mths	£343.75	+1.5	£347.5
Nickel	£3824	....	£3771.7
Free mkt	260/290c	....	260/95c
Platin'mtr oz'y	£260	....	£260
Freemkt	£184.55	—4.45	£193.30
Quicksilver†	$390/405	....	$360/370
Silver troy oz	427.25p	—7.70	435.90p
3 mths	441.65p	—7.55	450.85p
Tin Cash	£7080	—10	£8835
3 mths	£7295	+90	£8076.5
Tungsten 22.0 lb	$130.00	....	$125.54
Wolfrm 22.4 lbs	$120/124	—1	$126/130
Zinc Cash	£435.5	+5.75	£442.25
3 mths	£442.5	+5.125	£451.25
Producers	$875/950	....	$875/950
Oils			
Coconut (Phil)	$500z	—7.5	$545
Groundnut	‡	....	‡
Linseed Crude	‡	....	‡
Palm Malayan	$515	....	$545
Seeds			
Copra Phillip	$335z	—2.5	$355
Soyabean (U.S.)	$258.5	—0.75	$257.25
Grains			
Barley Fut. May	£111.00	+0.55	£111.60
Maize	£133	....	£133.25
Wheat Fut. May	£115.30	+0.55	£115.45
No.2 Hard Wint	£116.50	—0.25	£118.20
Other commodities			
Cocoa ship't*	£1172	+1	£1214
Future May	£1136.5	+1	£1153.5
Coffee Ft' May	£1323	+25.5	£1171.5
Cotton A.Index	69.85c	+0.05	70.60c
Gas Oil Apr.	$243.25	—8.75	$278.75
Rubber (kilo)	46.75p	+0.25	49.5p
Sugar (Raw)	£159z	—3	£171
Woolt'ps 64s kl.	388p kilo	....	380p kilo

In tonnes unless otherwise stated. ‡ Unquoted. v April. z March-April. x May. y April-May. † Per 76 lb flask. * Ghana cocoa. n Nominal. § Seller.

AMERICAN MARKETS

NEW YORK, March 3.

THE PRECIOUS METALS and copper remained under selling pressure from recessionary fears. Coffee rallied on good trade buying which was possibly hedge lifting. Speculator liquidation forced grain and soyabean prices sharply lower. The livestock complex after early profit taking, rallied on expectations of *reduced slaughter.* Heating oil declined on further cuts in the crude price by the major oil companies, reported Heinold.

Copper—March 67.75-67.90 (68.50); April 68.65 (69.35), May 69.60-69.65, *July 71.40-71.50,* Sept 73.30, Dec 75.80-75.90, Jan 76.70, March 78.40, May 80.10, July 81.80, Sept 83.50, Dec 86.05, Jan 86.85.

*Gold—March 350.6 (358.0). April 354.0-354.4 (361.6). May 358.2, June 361.2-361.8, Aug 369.0-370.0, Oct 377.6, Dec 385.0, Feb 392.0, April 402.7, June 411.5, Aug 420.3, Oct 429.3, Dec 438.4.

*Platinum—April 334.0-335.0 (341.8). July 344.0-344.5 (352.8). Oct 355.0. Jan *370.0. April 386.0.*

Potatoes (round whites)—April 81.4-81.8 (80.5). Nov 78.5-78.7 (77.0). Feb 85.2. March 88.8-89.0. Sales: 375.

¶Silver—March 765.0-768.0 (781.3). April 774.0 (790.0). May 783.0-785.0. July 802.0-804.5, Sept 823.0, Dec 855.0, Jan 861.7, March 881.2, May 900.7, July 920.2, Sept 939.7, Dec 968.7, Jan 978.5. Handy and Harman bullion spot: 769.00 (780.50).

Sugar—No. 11: May 12.05-12.08 (12.24). July 12.20-12.22 (12.37). Sept 12.37-12.39. Oct 12.52-12.53. Jan 12.62. March 13.10. May 13.22-13.30.

Tin—605.00-610.00 (610.00-620.00).

CHICAGO, March 3.

Lard—Chicago loose 20.25 (20.00)

Live Cattle—April 65.60-65.50 (65.37), June 64.40-64.30 (64.52), Aug 61.70-61.60, Oct 59.80-59.60, Dec 60.00-60.10, Feb 59.80, April 60.50.

Live Hogs—April 47.25-47.35 (47.42), June 52.30-52.50 (51.87), July 53.10-53.00, Aug 52.35-52.45, Oct 49.05, Dec 49.90-49.75, Feb 50.45, June 52.00.

‡‡Maize—Mar 258½-259 (257½). May 272¼-273 (272½). July 263¼-263½. Sept 287½. *Dec 294-294¼, Mar 307¾-308.*

Pork Bellies—Mar 71.45-71.50 (70.97). May 72.70-72.20 (71.50). July 73.40-73.15. Aug 71.30-71.40. Feb 72.85-72.77. Mar 73.10.

†Soyabeans—Mar 605½ (618½). May 620½-621½ (634½). July 635-636, Aug 642, Sept 644, Nov 653½-654, Jan 666, Mar 681.

‖Soyabean Meal—Mar 182.3-182.5 (185.4). May 184.0-184.3 (186.5). July 188.1-188.0, Aug 190.0, Sept 191.0-191.5, Oct 192.0-192.5, Dec 195.0-196.0, Jan 197.0-197.5.

Soyabean Oil—Mar 18.02-18.04 (18.57). May 18.55-18.51 (19.16). July 19.05-19.03, Aug 19.20-19.28, Sept 19.60, Oct 19.80-19.85, Dec 20.20, Jan 20.35-20.30, Mar 20.65.

†Wheat—Mar 360-360½ (364¾). May 369½-370 (374½). July 379¼-379½. Sept 393¾. Dec 413½. Mar 429¾.

WINNIPEG, March 3.

§Barley—Mar 122.00 (123.00). May 125.00 (126.60). July 129.30, Oct 131.40, Dec 132.70.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 223.29 (224.19).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton *(2,000 lb).* § $Can. per metric ton. §§ $ per 1,000 sq ft. ‡ Cents per dozen. †† $ per metric ton.

Tuesday's closing prices

NEW YORK, March 2.

†Cocoa—Mar 1901 (1887). May 1931 (1903). July 1962, Sept 2000, Dec 2040, Mar 2070. Sales: 1,941.

Coffee—"C" Contract: Mar 154.90-155.00 (154.47). May 142.80-143.75 (142.96). July 134.50-134.75, Sept 129.51 (129.75. Dec 126.00, Mar 120.00-123.00, May 119.00-124.00, July 118.00-124.00. Sales: 1,925.

Cotton—No. 2: Mar 64.15 (63.47). May 65.65-65.70 (65.21). July 67.65-67.70, Oct 70.50, Dec 71.70-71.75, Mar 73.40-73.50, May 74.55-74.65, July 75.25-75.75. Sales: 3,700.

Orange Juice—Mar 128.50-128.70 (126.70). May 132.55 (130.90). July 135.50, Sept 137.70-137.80, Nov 139.25, Jan 140.25, Mar 141.45-141.60, May 142.65-143.00, July 143.25-143.60. Sales: 700.

CHICAGO, March 2.

Chicago Imm Gold—Mar 358.5 (361.9), June 369.5-369.0 (373.3), Sept 381.0, *Dec 393.0, Mar 405.0, June* 418.7, Sept 431.6.

EUROPEAN MARKETS

PARIS, March 3.

Cocoa—(FFr per 100 kilos): March 1221/1225, May 1242/1244, July 1265/1279, Sept 1296/1297, Dec 1320/1330, March 1340/1350, May 1350/1360. Sales at call: 1.

Sugar—(FFr per tonne): May 1831/1833, July 1835/1850, Aug 1870/1880, Oct 1860/1865, Nov 1860/1865, Dec 1860/1870, March 1930/1935, May 1970/1976. Sales at call: 8.

ROTTERDAM, Mar 3.

Wheat—(U.S. $ per tonne): U.S. Two Dark Hard Winter 13.5 per cent mid-Mar 193, Mar 20/April 15 198, U.S. No Two Red Winter Mar 167, April 170. U.S. No Three Amber Durum April/May 184, June 184, July 185, Aug 187, Sept 189, Oct 192, Nov 195. U.S. No Two Northern Spring 14 per cent Mar 202, May 182, June 182, July 183, Aug 183, Sept 183, Oct 187, *Nov 189.50.* Canadian Western Red Spring April/May 209.

Maize—(U.S. $ per tonne): U.S. No Three Yellow afloat 124.50, Mar 125, April 125, May 125, June 126.50, July/Sept 128, Oct/Dec 133, Jan/Mar 138 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports Mar 252.25, April 252.50, May 254.75, June 257, July 258.50, Aug 261, Sept 251, Oct 262, *Nov 262*, Dec 266.50, Jan 271.50, Feb 275, Mar 278 sellers. Argentine June/July 254.50 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent protein U.S. afloat 230, April 227.85 traded, afloat 230, Mar 230, April 228.50, April/Sept 230, Nov/Mar 243 sellers. Brazil Pellets Feb 244, Mar 237, April 235.50, May 235, April/Sept 236 sellers.

INDICES

FINANCIAL TIMES

Mar. 2	Mar. 1	Month ago	Year ago
242.89	240.94	249.99	257.11

(Base: July 1, 1952=100).

MOODY'S

Mar. 2	Mar. 1	Month ago	Year ago
989.1	988.3	1012.6	1125.1

(December 31, 1931=100)

DOW JONES

Dow Jones	Mar. 2	Mar. 1	Month ago	Year ago
Spot	127.33	126.05	127.87	—
Futr's	132.53	132.63	135.76	—

(Base: December 31 1974=100)

REUTERS

Mar. 3	Mar. 2	M'nth ago	Year ago
1589.5	1593.6	1627.7	1732.4

(Base: September 18, 1931=100)

LONDON STOCK EXCHANGE

Gilts consolidate recent gains but equity leaders lose early firmness on worries about Wall Street

Account Dealing Dates

Option *First Dealings	Declara-tions	Last Dealings	Account Day
Feb 15	Feb 25	Feb 26	Mar 8
Mar 1	Mar 11	Mar 12	Mar 22
Mar 15	Mar 25	Mar 26	Apr 5

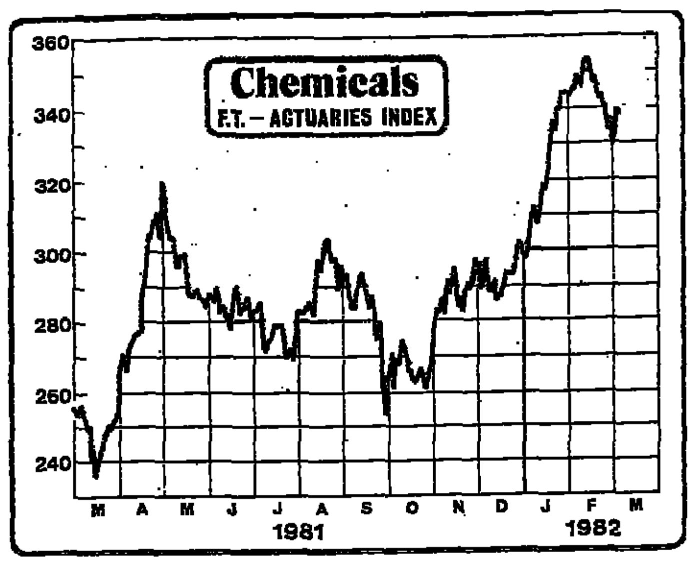
* "New time" dealings may take place from 9.30 am two business days earlier.

A further slight easing in period rates was tempered by the Bank of England's actions in money markets yesterday and failed to enthuse investors wary of sterling's reaction to lower North Sea oil prices. For the past week, speculation had persisted that BNOC would cut crude oil prices; confirmation of the $4 a barrel reduction removed uncertainty on this score and sent the exchange rate higher, despite concern about the estimated loss of revenue to the Exchequer.

Gilt-edged securities consequently hardened in a light trade helped by switching operations. Sellers were again noticeably reserved and longer-dated Gilts put on ½ with selected high-coupon stocks managing slightly larger gains. The shorts, after improving ⅛, reverted to overnight levels. Sentiment was unaffected by U.S. broker loan rate increases to 15 per cent.

Leading equities began hopefully and most marginally extended the recent advance. Investors were reluctant to commit funds, however, and, with dealers anticipating fresh Wall Street weakness, the tone began to waiver. The American market went sharply lower in the early trade yesterday and injected fresh caution in London where values eventually settled easier on balance. The FT Industrial Ordinary share index closed 2.6 down at the day's lowest of 555.2 after having shown a rise of 1.6 at 11.00 am.

The lack of investment activity in leading shares diverted attention to a fair number of situation issues. A. Fisher were particularly prominent again on the recent build up of a share stake. Of the sectors, Insurance brokers benefited from the stronger dollar, but Composites went easier after the announcement of General Accident's preliminary figures.



Lloyd's Brokers firm

Insurances passed another active session. Lloyds Brokers were particularly favoured yesterday with sentiment helped by currency influences. C. E. Heath stood out with a jump of 13 to 300p following acquisition details, while Alexander Howden put on 5 to 161p as did Minet, to 162p, and Willis Faber, to 410p. Sedgwick Forbes hardened 4 to 157p and Hogg Robinson 3 to 111p. Among Composites, Eagle Star rose 7 to 383p in response to Press comment. General Accident, however, reacted from an initial 332p to close a net 4 down at 322p with the chairman's cautious remarks about current year prospects outweighing satisfactory preliminary profits. Sun Alliance lost 8 in sympathy to 896p and Royals, which announced good annual figures on Monday, cheapened 7 to 363p on profit-taking.

The prospect of lower interest rates and a quietly firm gilt-edged market helped Discount Houses to rally smartly from recent dullness. Union, 20 higher at 435p, led the recovery, while Gerrard and National firmed 8 to 273p and Cater Allen 5 at 310p. Elsewhere, Provident Financial rose 8 for a two-day gain of 15 to 125p on the results. Still reflecting bid hopes, First National Finance Corporation were supported up to a new high of 41½p before closing a net fraction harder at 40p. Wintrust put on 5 more to 185p following Press comment and Hambros revived with an improvement of 6 to 136p.

Business in Buildings was light and the leaders closed narrowly mixed. Blue Circle softened 4 to 474p and Redland 3 to 171p, but BPB Industries and Tarmac hardened a couple of pence apiece to 378p and 436p respectively. Barratt Developments improved 3 more to 255p: after 256p: the interim results are due on March 17. Galliford, half-yearly results due next Monday, put on 2 to a 1981-82 peak of 62p.

After Tuesday's gain of 14, ICI touched 334p in early dealings before drifting off to close a net 4 cheaper at 328p. Renewed support lifted Laporte 5 to 146p and Allied Colloids 3 to 181p.

With the exception of Habitat, which firmed 4 to 125p, Stores drifted lower on lack of support. Burton cheapened 3 to 157p while Gussies "A," 473p, and Marks and Spencer, 139p, eased 2 apiece. Cornell Dresses rose 7 to 188p on revived speculative support, while Currys put on 3 to 188p as did Dewhirst, to 95p.

STC better

Further buying ahead of the preliminary results scheduled for Friday week left Standard Telephones and Cables up 15 more at 450p. Elsewhere in Electricals, Farnell jumped 20 for a two-day increase of 40 at 590p following support in a thin market. Air Call put on 10 to 235p as did ESI London, to 160p, while Dubilier firmed 3 to 68p on the company's agreement with Ion Beam Technologies of the U.S. Japanese issues rallied from recent depression: Fujitsu picked up 6 to 162p, Nippon 9 to 188p and Sony 38 to 750p. The leaders closed a shade easier for choice.

Dry Cleaners bought

Apart from Tubes, which edged up 4 to 124p, after 126p, ahead of next Tuesday's preliminary figures, leading Engineers turned easier in the late dealings after having traded on a steady to firm note. Hawker ended 4 lower at 324p and John Brown 2 cheaper at 56½p. Elsewhere, buying interest developed in Pegler-Hattersley, which touched 202p before settling 8 higher on balance at 200p, while Ransomes Sims, awaiting today's interim figures, moved up 7 to 178p. Reports of orders worth around £1m stimulated interest in Moss Engineering, 5 firmer at 105p. Sporadic demand prompted a rise of 2½ to 53½p in J. and H. B. Jackson, while Drake and Scull revived with a rise of 1½ to 55p and Acrow "A" found fresh support at 57p, up 2.

Up 22½ in the last couple of days in the wake of Mr A. B. Millar and associates acquiring a 28.9 per cent stake in the company, Albert Fisher touched 39½p before reacting on profit-taking to 34p and closing 1½ cheaper on balance at 36p. Elsewhere in Foods, William Low jumped to 212p before closing a net 5 up at 210p on rumours that Kwik Save were about to launch a bid and, also on bid hopes, Batleys of Yorkshire put on 4 for a two-day gain of 8 to 82p. In the leaders, Tate and Lyle shed 4 to 200p despite the chairman's cautiously optimistic statement at the annual meeting.

Dry cleaning issues were popular among secondary miscellaneous industrials. Comment on the company's planned acquisition of British Transport Hotel's laundry interests helped St. George's Group to improve 5 for a two-day rise of 15 at 113p after 116p. Sketchley rose 14 to the good at 290p with sentiment in the late trade helped by the announcement that a rival U.S. bid has been made for Means Services, the U.S. concern Sketchley had planned to acquire for £40.6m. Johnson Group put on 9 to 217p and Initial Services added 3 to 270p.

Associated Communications Corporation "A" rose 3 more to a high of 91p on speculation that Mr Robert Maxwell might enter the fray. Erskine House, in which Solarosa SA (Spain) holds a near-22 per cent stake, rose 2½ to 54½p on speculative support, while UKO International, still reflecting the 9.5 per cent shareholding acquired by Consult International, firmed 2½ afresh to 49p. RTD found support at 29p, up 4, while Hawtin, with the help of option business, hardened to 7½p. Awaiting today's market debut of Fleet Holdings, Trafalgar House gained 4 to 121p. Unilever lost 7 to 658p after comment on the results, while Pilkington lost a similar amount to 268p.

Television issues made a firm showing, HTV N/V rising 8 to 126p and LWT "A" and Scottish adding 2 apiece to 139p and 91p respectively. Elsewhere in the Leisure sector, Owners Abroad firmed a penny to 24p in response to the results, while Old Swan Hotel (Harrogate) put on 5 to 73p on buying prompted by the company's re-rating as a leisure group. Campari gained 8 on the turn to 59p following the interim statement.

A penny easier at one stage on reports of Mr Robert Maxwell's continued interest in the situation, at BPC picked up to close unchanged on balance at 35p following Mr Maxwell's strong hint about the latter's return to the dividend list.

Properties were inclined firmer in places on interest rate hopes. Land Securities hardened a penny to 301p and Haslemere Estates 4 to 400p, while Peachey improved a couple of pence to 155p. Elsewhere, Rosehaugh touched 260p before closing a net 5 up at 255p ahead of interim figures, due today.

Ultramar rally

The late announcement on Tuesday of a $4 increase in North Sea crude prices removed recent uncertainty in the Oil sector and quotations staged a largely technical rally yesterday. Best levels were not held, on the market turning easier late in the wake of the initial setback on Wall Street. Already a good market at 390p, *Ultramar* responded afresh to the annual results and the absence of any funding moves to 405p before closing 7 firmer on the day at 385p. British Petroleum settled only 2 dearer at 284p, after 288p, while Shell ended 4 up at 342p, after 350p.

Lasmo up to 320p at one stage, finished a couple of pence higher on balance at 305p.

Gill and Duffus rallied 5 more to 147p from the depressed level of 140p which followed the board's downgraded profits forecast.

Small gains predominated in Trusts. Dealings in Manchester and Metropolitan Investment were temporarily suspended at 85p pending the announcement of reorganisation particulars.

Selective support was evident in the Textile sector. Allied continued firmly after the annual review and put on 6 more to 214p. Buying interest revived in Sirdar, up 5 to 125p, while Parkland "A" improved 3 to 43p and Munton Brothers 4 to 165p.

Among Tobaccos, Imps turned easier and gave up 1½ to 85½p, but revived bid hopes left Rothmans that amount higher at 80½p.

Far Eastern buying fuelled by talk of a land sale helped Highlands and Lowlands to rise 3 to 67p in Plantations.

Golds drift lower

Tuesday's slight recovery in South African Golds proved to be short-lived and, reflecting the sizeable drop in the bullion price, which finished $7 lower at $353.5, the leading stocks closed with losses extending to over a point. Once again, business volume was small.

The Gold Mines index fell 6.6 to 247.4, its lowest since December 7, 1979.

Vaal Reefs were hardest-hit among the heavyweights, falling 1¼ to £26⅜, while Western Holdings gave up ¾ to £20¼. Losses of ½ were marked against President Brand, £15⅜, and Randfontein, £22⅜.

Financials mirrored Golds. "Johnnies" eased a point to £32 and Gold Fields of South Africa dipped ¾ to £26.

Among London-based counters, Gold Fields improved to 410p in initial response to the first-half figures, but slipped back to close a net 9 cheaper at 398p. RTZ declined 4 to 423p, after 430p.

Australians opened firmer, reflecting overnight support in domestic markets, but an easier trend was discernible by mid-afternoon on Wall Street influences.

Still reflecting the rights issue, EZ Industries fell 20 for a two-day loss of 30 at 195p. Seltrust were particularly weak following the lapse into losses and closed 8 down at 34p.

Precious metal stocks took a turn for the worse, notably Poseidon which fell 9 to 82p after the sharp setback in first-half earnings. Gold Mines of Kalgoorlie, 198p, and North Kalgurli, 42p, gave up 12 and 3 respectively. Pancontinental fell 6 to 108p on profit-taking.

A slight improvement in Traded Option activity saw 1,841 deals arranged, comprising of 1,408 calls and 433 puts. BP recorded 395 contracts and Commercial Union 372.

FINANCIAL TIMES STOCK INDICES

	Mar. 3	Mar. 2	Mar. 1	Feb. 26	Feb. 25	Feb. 24	A year ago
Government Secs.	67.42	†67.34	66.91	66.59	66.86	66.39	68.66
Fixed Interest	66.98	66.96	66.38	66.49	66.64	66.48	70.66
Industrial Ord.	555.2	557.8	550.8	547.2	551.8	552.6	500.0
Gold Mines	247.4	254.0	252.8	263.4	265.3	258.0	305.9
Ord. Div. Yield	5.66	5.63	5.70	5.73	5.68	5.64	7.06
Earnings, Yld. % (full)	10.43	10.38	10.51	10.56	9.88	9.82	15.19
P/E Ratio (net) (*)	12.35	12.41	12.25	12.20	13.24	13.32	8.12
Total bargains	23,015	25,804	22,518	21,885	24,559	20,100	26,120
Equity turnover £m.	—	149.31	107.02	177.01	192.76	150.64	155.51
Equity bargains	—	21,887	18,516	22,509	24,694	16,865	19,807

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

10 am 558.9, 11 am 559.4, Noon 558.1, 1 pm 558.1, 2 pm 558.1, 3 pm 556.4.

Latest Index 01-246 8026.

*Nil=11.12.

†Correction.

HIGHS AND LOWS

	1981/2 High	1981/2 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (28/5/81)	60.17 (29/10/81)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (28/5/81)	61.61 (26/10/81)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	597.3 (30/4/81)	446.0 (14/1/81)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	429.0 (14/9/81)	247.4 (3/3/82)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Mar. 2	Mar. 1
—Daily		
Gilt Edged Bargains	229.0	212.0
Equities Bargains	141.8	130.0
Value	501.8	216.3
5-day Avrge.		
Gilt Edged Bargains	194.8	195.0
Equities Bargains	135.6	129.8
Value	314.0	308.6

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1981/2 High	1981/2 Low	Stock	Closing price p	+ or −	Net dividend	Times covered	Gross yield	P/E ratio
148	F.P.	26/3	196	186	Amersham	192		b3.5	2.9	2.6	15.5
30	F.P.	12/3	30	29	Assets Special 10p	29					
—	F.P.	—	8	2	Do. Warrants 10p	7					
80	F.P.	—	357	315	‡Eldridge Pope £1	357		3.5	3.9	5.8	11.0
—	F.P.	—	38½	27	Greenfriar Warrants	38½	+1				
90	F.P.	5/3	89	89	‡Imm. Bus. Sys. 10p	89					
‡‡	F.P.	—	53	47	‡Malaysian Tin 5p	47					
130	F.P.	—	148	145	‡Oceonics 10p	145		bd1.5	4.7	1.5	18.5
‡3	F.P.	—	15½	12	TSW 5p	14					
46	F.P.	19/2	56	47	‡York Mount	53	−1	b4.51	3.8	12.2	2.4

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1981/2 High	1981/2 Low	Stock	Closing price £	+ or −
£100	£25	30/7	30¾	25¾	Barclays 16% Ln. Stk.	30¼	−¼
100	F.P.	14/4	114	111	Boddingtons Brew 9¼% Cnv. Ln. 1995-98	113	+1
—	F.P.	—	202	200	Churchbury Ests. 6.4% Cnv. Ln. 1995	202	
‡‡	F.P.	26/2	313	308	Do. 8pc Cnv. Ln. 1997	310	+2
100	Nil	—	3pm	1pm	Hunting Pet. 10% Cnv. Ln. 1997	1½pm	−1½
99	£10	29/4	10½	10½	Lee Valley 9¾% Red. Prf. 1989	10½	
97¼	F.P.	19/3	12	11	Mid-Kent Water 9½% Red. Prf. 1987	12	
£100	£10	—	100¼	100¼	Nationwide Bdg. Soc. 16% (17/1/83)	100¼	
£100	£10	—	100¼	100	Do. 16⅛% (7/2/83)	100¼	
‡‡	F.P.	—	102p	100p	Ropners 11½% Cum Prf.	102p	
98.55	£20	—	21¼	19¾	Trans-Canada Pipelines 16⅛% Notes 2007	21¼	+1¼

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1981/2 High	1981/2 Low	Stock	Closing price p	+ or −
244.5	Nil	12/3 15/4	7pm	6pm	‡‡Cambrian & Gen. Units	7pm	
70	Nil	25/3 19/4	17pm	5pm	‡‡Clyde Petroleum	4pm	+1
140	F.P.	19/2 19/3	156	154	Dewey Corp.	159	+1
40	Nil	8/3 23/4	1½pm	½pm	‡‡Energy Finance 10p	1pm	
160	Nil	22/3 29/4	29pm	18pm	Hunting Pet. Services	29pm	+1
220	F.P.	26/2 26/3	271	258	Lovell (Y.J.)	262	
188	F.P.	11/2 26/3	239	218	MEPC	223	
110	Nil	22/3 23/4	28pm	24pm	Security Centres	27pm	+4
25	F.P.	19/2 19/3	41	35	Smith St. Aubyn	41	
48	F.P.	—	49	43	Sasua Romana (Brit.)	44	+1

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. ● Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ✱ With warrants. †† Dealings under special Rule. ✱ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under Rule 163(2)(a). ‡‡ Unit comprising five ordinary and three Cap. Shares.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Barratt Devs.	255	+ 3	Gill and Duffus	147	+ 5
Blue Circle	474	− 4	Heath (C. E.)	300	+13
Cons. Gold	398	− 9	Provident Financial	125	+ 8
Eagle Star	383	+ 7	Royal Ins.	363	− 7
Fisher (A.)	36	− 1½	Shell Transport	342	+ 4
General Accident	322	− 4	Ultramar	385	+ 7

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Tuesday's closing price pence	Day's change	Stock	No. of price changes	Tuesday's closing price pence	Day's change
RTZ	21	427	+13	B.H. Props.	18	480	−10
GEC	20	820	+ 3	Beecham	17	232	+ 7
Unilever	20	665	+ 8	Burmah Oil	16	115	+ 2
ICI	19	332	+14	Fisher (A.)	16	37½	+ 9
Lasmo	19	303	+13	Plessey	16	364	+14
NatWest Bk.	19	450	+ 8	BAT Inds.	15	435	+10
Ultramar	19	378	+ 8	Oceonics	15	145	—

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Feb 22	Mar 5	June 3	June 14
Mar 8	Mar 19	June 17	June 28
Mar 22	April 2	July 1	July 12

For rate indications see end of Share Information Service

Stocks traded for the call included ICI, Town and City, Duple, Chloride, First National Finance, Gill and Duffus, M. P. Kent, Goodman Bros, Courtaulds, ICI, Poseidon, Hawtin, Premier Consolidated, Nimslo, and Trident TV. London Brick were dealt in for the put, while double options were arranged in London Brick, Town and City, Tricentrol, Courtaulds and First National Finance.

NEW HIGHS AND LOWS FOR 1981/2

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981-82

NEW HIGHS (53)

BRITISH FUNDS (3)
Exch. 14pc 1986 Exch. 15pc 1997
Treas. 12pc 1987

BUILDING SOCIETIES (1)
N'wide 15¼pc 13.12.82

AMERICANS (2)
Gillette Quaker Oats

BANKS (2)
First Nat. Wintrust

BEERS (3)
Bell (Arthur) Bulmer (H. P.)
Do. 9½pc Cnv.

BUILDINGS (7)
Barratt Devs. Galliford
Bryant Hlds. Johnstones Paints
Callender (G. M.) Laing (John)
French Kier

CHEMICALS (2)
Allied Colloids Fisons

STORES (2)
Dewhirst Habitat 9½pc Cnv.

ELECTRICALS (5)
Air Call Memec
ESI London Sound Diffusion
Farnell Elect.

ENGINEERING (3)
Drake & Scull Thyssen
Fife Indmar

FOODS (3)
Batleys of Yorkshire Needlers
Low (Wm.)

INDUSTRIALS (7)
Assoc. Comms. A Photo-Me
Black (P.) St. George's Gp.
Hanson Tst. 6½pc Cnv. Utd. Guarantee
Utd. Parcels

INSURANCE (3)
Equity & Law Minet
Howden (A.)

LEISURE (5)
Campari Int. Owners Abroad
HTV N/V Scottish TV A
LWT A

NEWSPAPERS (2)
Assoc. Book Pblshrs. Pearson Longman

PAPER (1)
Saatchi & Saatchi

PROPERTY (1)
Markheath Pfd.

TEXTILES (1)
Allied Textile

NEW LOWS (43)

AMERICANS (2)
Amax Fluor Corp.

BUILDINGS (2)
Lafarge Coppee Ramus

CHEMICALS (1)
Morley (R. H.)

INDUSTRIALS (1)
'The Times' Veneer

OIL & GAS (14)
Anvil Pet Offshore (pa)
Aran Energy Ranger Oil
Brit. Can. Res. Santos
Edinburgh Secs. Saxon
International Pet. Sceptre Res.
Magellan Pet. Tri Basin Res.
Moray Firth Woodside

MINES (23)
Blyvoor De Beers Dfd.
Doornkraal Argosy Gold
Elsburg Central Pacific
Venterspost Eagle Corp.
Western Areas Gold Mines of Kalgoorlie
F. S. Geduld
Welkom North Broken Hill
Western Holdings North Kalgurli
Anglo American Oakbridge
Cons. Gold Fields Oilmin
Minorco Pacific Copper
Anglo Amer. Inv. Seltrust A

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	45	1	46
Corpns., Dom. and Foreign Bonds	6	2	66
Industrials	302	169	885
Financial & Props.	130	80	328
Oils	23	36	61
Plantations	4	—	20
Mines	15	73	75
Others	51	49	41
Totals	577	389	1,513

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed March 3 1982 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues March 2 Index No.	Mon March 1 Index No.	Fri Feb 26 Index No.	Thurs Feb 25 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (210)	364.67	+0.1	9.37	4.38	13.45	364.36	360.33	359.14	362.07	315.01
2	Building Materials (25)	319.27	−0.5	13.64	5.42	8.81	321.02	318.47	318.04	322.78	276.79
3	Contracting, Construction (28)	585.49	+0.5	15.60	4.85	7.53	582.42	576.55	575.03	576.78	490.72
4	Electricals (31)	1241.12	—	7.43	2.33	17.20	1241.04	1225.34	1220.73	1230.32	1028.68
5	Engineering Contractors (9)	511.61	+0.8	12.35	5.72	9.47	507.51	502.75	503.32	508.38	417.98
6	Mechanical Engineering (67)	191.80	+0.2	10.94	5.74	11.65	191.33	189.46	188.70	190.17	188.34
8	Metals and Metal Forming (12)	166.04	+0.2	7.32	7.33	19.17	165.69	163.51	162.85	164.57	149.19
9	Motors (21)	97.89	+0.7	—	6.80	—	97.20	96.21	95.07	95.70	92.72
10	Other Industrial Materials (17)	397.82	+0.1	7.95	5.78	15.60	397.23	392.64	391.91	393.47	321.58
21	CONSUMER GROUP (198)	294.09	−0.1	12.46	5.63	9.84	294.47	290.64	288.82	291.17	252.21
22	Brewers and Distillers (21)	290.01	+0.1	16.22	6.73	7.42	289.77	287.30	285.86	288.46	278.74
25	Food Manufacturing (21)	283.13	−0.4	14.99	6.06	8.00	284.34	280.52	278.95	280.57	227.20
26	Food Retailing (15)	610.04	+0.6	8.82	3.27	13.81	606.56	597.99	595.19	604.69	457.79
27	Health and Household Products (7)	378.60	−0.1	8.26	4.22	14.23	379.12	371.07	367.84	370.14	263.79
29	Leisure (24)	440.71	+0.8	9.45	5.01	13.27	437.39	433.01	433.59	437.43	349.25
32	Newspapers, Publishing (12)	516.79	−0.4	10.93	6.02	12.24	518.87	510.60	508.20	509.74	450.45
33	Packaging and Paper (13)	145.43	+0.2	13.76	7.41	8.69	145.18	143.95	143.60	146.56	127.31
34	Stores (45)	264.11	−0.6	10.91	5.11	12.24	265.83	263.14	260.88	261.64	261.79
35	Textiles (23)	170.33	+1.0	9.64	5.87	13.48	168.72	166.88	166.71	167.65	144.85
36	Tobaccos (3)	314.06	−0.7	19.50	8.30	5.84	316.24	308.93	306.08	309.54	222.32
39	Other Consumer (14)	276.49	+0.6	—	6.12	—	274.83	273.10	272.16	273.65	262.40
41	OTHER GROUPS (79)	253.62	—	13.20	6.11	9.13	253.71	248.93	250.45	251.59	213.52
42	Chemicals (16)	337.70	−0.6	13.32	6.83	8.96	339.81	329.56	334.65	336.70	256.24
44	Office Equipment (4)	124.96	+0.7	12.88	6.88	9.45	124.12	121.26	121.00	121.73	117.12
45	Shipping and Transport (13)	574.66	—	18.65	6.43	6.38	574.82	564.40	562.99	567.11	586.18
46	Miscellaneous (46)	315.82	+0.4	11.54	5.15	10.60	314.43	312.31	312.51	313.13	273.35
49	INDUSTRIAL GROUP (487)	313.07	—	11.42	5.24	10.79	313.18	309.88	308.81	310.36	268.46
51	Oils (13)	647.75	+0.9	21.96	8.71	5.16	641.87	634.73	634.13	645.43	881.84
59	500 SHARE INDEX	340.41	+0.1	13.02	5.76	9.26	340.05	335.60	334.66	337.73	317.07
61	FINANCIAL GROUP (117)	263.10	+0.1	—	5.99	—	262.75	259.14	260.04	261.70	209.68
62	Banks (6)	292.23	−0.1	36.56	7.20	3.04	292.61	287.34	292.47	296.08	236.83
63	Discount Houses (9)	232.42	+3.1	—	9.33	—	225.49	223.87	229.07	229.88	305.15
65	Insurance (Life) (9)	258.82	+0.5	—	6.19	—	257.58	252.83	253.83	253.77	261.85
66	Insurance (Composite) (10)	167.88	−0.8	—	8.13	—	169.22	165.99	164.88	164.66	163.61
67	Insurance Brokers (7)	450.59	+2.5	9.88	5.06	13.69	439.76	430.40	431.26	433.60	353.39
68	Merchant Banks (12)	147.90	+1.2	—	5.55	—	146.13	145.91	145.60	146.22	155.74
69	Property (49)	458.74	+0.2	4.65	3.21	28.71	457.99	455.52	456.31	459.07	479.52
70	Other Financial (15)	186.76	+0.6	15.24	5.82	8.04	185.67	183.96	184.61	185.96	179.58
71	Investment Trusts (112)	304.17	+0.4	—	5.37	—	303.00	302.27	304.89	307.27	293.90
81	Mining Finance (4)	209.88	−1.4	16.42	6.77	7.33	212.96	209.61	212.74	221.05	212.18
91	Overseas Traders (17)	395.94	+0.9	13.22	8.04	9.23	392.37	388.67	384.06	395.20	447.81
99	ALL-SHARE INDEX (750)	321.49	+0.1	—	5.84	—	321.15	317.18	316.89	319.91	302.80

FIXED INTEREST

	PRICE INDICES	Wed March 3	Day's change %	Tues March 2	xd adj. today	xd adj. 1982 to date
	British Government					
1	5 years	109.81	+0.85	108.95	—	2.65
2	5-15 years	108.26	+0.16	108.09	—	2.15
3	Over 15 years	111.07	−0.10	110.96	—	2.52
4	Irredeemables	119.79	+0.32	119.41	—	1.62
5	All Stocks	109.18	+0.11	109.06	—	2.39
6	Debentures & Loans	85.11	+0.16	84.97	—	2.86
7	Preference	63.47	+0.27	63.30	—	1.91

	AVERAGE GROSS REDEMPTION YIELDS		Wed March 3	Tues March 2	Year ago (approx.)
	British Government				
1	Low Coupons	5 years	12.27	12.28	11.46
2		15 years	12.94	12.96	12.39
3		25 years	12.69	12.71	12.59
4	Medium Coupons	5 years	14.43	14.44	13.19
5		15 years	14.26	14.27	13.95
6		25 years	13.75	13.74	13.81
7	High Coupons	5 years	14.44	14.47	13.20
8		15 years	14.41	14.43	14.16
9		25 years	14.06	14.08	13.49
10	Irredeemables†		12.37	12.41	11.80
11	Debs & Loans	5 years	15.38	15.43	14.26
12		15 years	15.27	15.28	14.56
13		25 years	15.22	15.24	14.36
14	Preference†		15.52	15.57	14.48

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex
Brentwood (0277) 211459 & 229123

Balanced Funds				
Allied 1st	92.2	98.7xd	+0.9	5.46
Brit. Inds. Fund	82.5	88.3	+0.8	6.05
Growth & Income	59.5	63.7	+0.5	3.92
Elect. & Ind. Dev.	47.9	40.9	+0.5	4.22
Allied Capital	102.9	110.1	+1.0	4.53
Hambro Fund	141.8	151.7	+1.5	5.55
Hambro Acc. Fund	206.5	220.9	+1.9	4.53
Income Funds				
High Yield Fd.	70.0	74.9xd	+0.4	8.49
High Income	86.6	92.7xd	+0.7	7.34
Equity Income Fd.	49.0	52.4xd	+0.4	7.04
Govt. Secs.	25.1	25.8	+0.1	12.33
International Funds				
International	33.5	35.8xd	+0.1	2.57
Japan Fund	27.9	29.8	+0.7	0.55
Pacific Fund	64.8	69.3	+0.9	1.36
American Spec. Sits.	—	25.0	.....	1.10
Secs. Of America	79.2	84.7	−0.2	2.89
Specialist Funds				
Smaller Co.'s Fd.	60.3	64.5	+0.1	3.66
2nd Smlr. Co's Fd.	75.0	80.2xd	+0.2	4.05
Recovery	29.4	31.5	+0.1	4.48
Met. Min. & C'dty.	57.0	61.0	+0.3	6.25
Overseas Earnings	80.6	86.2	+0.8	4.66
Exempt Funds				
Income Exempt	55.1	57.9	+0.2	8.12
Far East Exempt	71.7	74.4	+1.1	1.68
Smaller Co. Exempt	102.2	107.3	+0.5	3.68
U.S.A. Exempt	129.8	135.0	−0.4	2.91

Anderson Unit Trust Managers Ltd.
62, London Wall, EC2R 7DQ 01-638 1200

Anderson U.T.	65.9	71.4	.....	3.47

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-726 4931

Inc. Monthly Fund	162.0	172.0xd	.....	10.38
Leics.&Gen.Fd.	55.0	58.0	.....	7.35

Anthony Wieler Unit Tst. Mgmt. Ltd.
19, Widegate St., London, E1 7HP. 01-247 8827

Wieler Gwth Fd. Inc.	35.7	38.4xd	.....	2.80
Do. Accum.	46.3	49.8xd	.....	8.50

Arbuthnot Securities Ltd. (a)(c)
37, Queen St., London, EC4R 1BY. 01-236 5281

Capital	33.6	36.0	+0.1	—
Commodity	65.1	69.9	−0.6	2.72
(Accumulation)	104.1	111.9	−0.8	2.72
(10% Withdrawal)	45.7	49.1	−0.3	2.72
Eastern & Internat'l.	48.1	51.4xd	+0.7	1.00
(6% Withdrawal)	31.2	33.3xd	+0.4	1.00
Extra Income	83.9	90.4	+0.2	11.01
(Accumulation)	109.8	118.3	+0.3	11.01
Finance & Property	24.7	26.6	+0.1	4.62
Foreign	137.1	147.6	+0.7	1.00
Giants	48.8	52.6	+0.5	3.19
(Accumulation)	65.6	70.7	+0.6	3.19
Gilt & Fixed	40.4	42.4xd	+0.2	12.05
(Accumulation)	48.5	50.9xd	+0.3	12.05
Growth	41.9	45.1	+0.2	3.43
(Accumulation)	56.7	61.1	+0.2	3.43
High Income	36.1	38.9xd	+0.1	9.60
(Accumulation)	66.1	71.2xd	+0.2	9.60
(8½% Withdrawal)	47.7	51.4xd	+0.1	9.60
High Yield	37.1	39.8	.....	12.38
(Accumulation)	73.1	78.5	.....	12.38
North American††	34.6	37.2	+0.1	1.00
Preference	19.7	21.0	.....	14.19
(Accumulation)	43.5	46.5	.....	14.19
Smaller Companies	41.3	44.3	+0.2	2.50
(Accumulation)	41.8	44.8	+0.1	2.50

Archway Unit Tst. Mgs. Ltd.(a)(c)
317, High Holborn, WC1V 7NL. 01-831 6233

Archway Fund	115.9	124.6	.....	5.81

Prices February 25. Next sub. day March 4.

Arkwright Management
Parsonage Gdns., Manchester 061-834 2332.

Arkwright Fd. Mar 5	103.4	110.0	.....	4.21

Barclays Unicorn Ltd.(a)(c)(g)
Unicorn Ho. 252, Romford Rd., E7. 01-534 5544

Unicorn America	36.5	39.2	−0.2	1.40
Do. Aust. Acc.	95.0	102.1	−1.7	1.81
Do. Aust. Inc.	71.8	77.2	−1.3	1.81
Do. Capital	91.9	98.9xd	+1.0	4.92
Do. Exempt Tst.	151.2	162.5	+1.8	6.42
Do. Extra Income	30.9	33.2	+0.2	8.85
Do. Financial	99.5	106.9	+0.9	4.62
Do. 500	108.3	116.4xd	+0.6	5.29
Do. General	45.8	49.2	+0.2	5.73
Do. Gilt & Fxd. Int. Inc.	45.8	47.4xd	.....	13.26
Do. Gtr. Pacific Acc.	46.3	49.7	+0.7	0.98
Do. Gtr. Pacific Inc.	46.3	49.7	+0.7	0.98
Do. Growth Acc.	71.5	76.8	+0.6	4.04
Do. Income Trust	116.8	126.1xd	+0.6	6.23
Do. Prf. A'ns. Tst.	55.3	58.8	+0.5	3.77
Do. Recovery	67.1	72.1	+0.4	4.57
Do. Trustee Fund	169.2	181.9	+1.1	5.45
Do. W'ldwide Tst.	52.3	56.2	+0.1	1.83
B'tst.In.Fd.Acc.	114.4	123.0	+0.7	5.31
Do. Income	86.2	92.6	+0.5	5.31

Baring Brothers & Co. Ltd.
8, Bishopsgate, EC2N 4AE. 01-283 8833

Stratton Trust	266.8	278.2	.....	4.15
Do. Accum.	370.8	386.4	...	4.15

Next sub. day March 9 (by 12.00 noon).

Bishopsgate Progressive Mgmt. Co.
Stock Exchange, London, EC2N 1HD. 01-588 6280

B'gate Pr. **Feb. 23.	292.2	319.9	.....	3.35
Acc. Units **Feb. 9	376.8	412.6	.....	3.35
B'gate Int. March 2	333.4	359.3xd	.....	1.88
(Accum.) March 2	390.5	420.8	.....	1.88
Bedmin Intl. Cap.*	100.7	103.3	+0.4	—

Next sub. day March 16. **March 9. *Weekly dealings.

Bridge Fund Managers (a)(c)
Regis Hse., King William St., EC4. 01-623 4951

Amer. Gen.†	35.4	38.1xd	.....	1.49
Income*	59.0	63.5	.....	7.97
Capital Inc.‡	55.6	59.8	−1.6	3.12
Do. Acc.‡	66.7	71.8	−2.0	3.12
Exempt‡	156.0	168.0	−3.0	6.54
Intl. Recovery Inc.‡	23.5	25.3	+0.2	3.03
Do. Acc.‡	29.3	31.6	+0.2	3.03

Dealing *Tues., ‡Wed., †Thurs., †Prices Feb. 23/24/25.

Britannia Gp. of Unit Trusts Ltd. (a)(c)(g)
Salisbury House, 31, Finsbury Circus, London EC2

Inv. Trust Shares	61.7	66.5	.....	2.90
Minerals	58.8	63.4	−1.3	6.41
Prop. Shares	24.9	26.8xd	.....	2.64
Univ. Energy	52.0	56.1xd	−0.2	2.35
World Tech.	22.8	24.6xd	+0.1	0.00
Overseas Funds				
American Growth	41.0	44.2xd	−0.1	1.90
Am. Smaller Cos.	60.1	64.8	+0.3	0.53
Am. Spec. Sits.	39.5	42.6	+0.2	1.52
Far East	29.2	31.5xd	.....	0.35
Hong Kg. Performnce	23.3	25.1	−0.4	1.87
Intl. Growth	75.8	81.7	.....	1.73
Japan Perf. Tst.	78.0	84.1xd	+1.0	0.17
General Funds				
Capital Acc.	76.6	82.6	+0.6	4.11
Comm. & Ind.	58.2	62.7xd	+0.6	4.07
Domestic	48.7	52.5	+0.3	4.07
Growth	93.6	100.9	+0.3	4.16
Professional	830.9	856.6	+3.7	4.38
Shield	55.8	60.2xd	+0.3	4.11
Exempt Funds				
Exempt	170.6	180.5	+1.1	6.08
Ex. High Yield	30.4	32.2	+0.2	8.10
Ex. Mkt. Ldrs.	35.7	37.8	+0.3	4.64

The British Life Office Ltd (a)
Reliance Hse., Tunbridge Wells, Kt. 0892 22271

BL British Life	70.7	74.8	+0.4	5.41
BL Balanced*	60.4	64.6	.....	5.71
BL Dividend*	40.3	43.1	.....	8.73

Prices Feb. 24. Next dealing Mar. 3.

Brown Shipley & Co. Ltd. (a)(g)
Harlands Hse, Haywards H'th, Sx. 0444-58144

B.S. Units March 2	289.1	298.8xd	.....	4.74
B.S. Accum. March 2	411.1	435.8	.....	—
Financial	54.7	58.8xd	+0.4	3.74
Growth Accum.	84.3	91.7	+0.3	—
Growth Income	59.3	64.5	+0.3	3.45
High Income	24.4	26.2xd	+0.1	11.06
Income	29.9	32.5	+0.3	6.49
Index	32.1	34.5	+0.2	5.41
North American	27.1	29.2	−0.2	1.85
Recovery	16.4	17.6	+0.1	6.42
Technology	68.0	73.1	+0.7	1.44
Exempt	91.4	95.2	+0.8	5.20

Buckmaster Management Co. Ltd.
The Stock Exchange, EC2P 2JT. 01-588 2868

Buck'hm. Fd. Feb 25.	86.0	91.2	.....	4.19
Accum. Units Feb 25.	122.4	129.7	.....	4.19
Cum'fd. March 3	52.1	55.7	−0.1	9.78
(Accum. Uts.) March 3.	71.0	75.8	−0.1	9.78
Marlboro Fd. March 2	62.5	65.7xd	.....	2.27
(Accum Uts.) March 2.	78.0	82.0	.....	2.27
Smlr. Co's Fd. Feb 26	494.3	525.5	.....	2.89
(Accum. Uts.) Feb 26	494.3	525.5	.....	2.89

Canada Life Unit Trust Mngrs. Ltd.
2-6 High St., Potters Bar, Herts. P. Bar 51122

Can. Gen Dist.	49.6	52.2xd	+0.3	4.90
Do. Gen. Accum	69.7	73.4	+0.5	4.90
Do. Income Dist.	36.8	38.7	+0.2	8.65
Do. Inc. Accum.	59.7	62.8	+0.3	8.65
Gilt & Fxd. Int. Trust.	25.3	26.6xd	.....	12.81

Capel (James) Mngt. Ltd.
100, Old Broad St., EC2N 1BQ. 01-588 6010

Capital	118.0	125.6xd	−2.8	2.89
Income	88.2	93.9xd	−6.1	8.51
North American	106.3	113.1xd	−0.9	2.73

Prices on March 3. Next dealing March 17.

Carr, Sebag Unit Trust Managers(a)
57/63, Princess St., Manchester 061-236 5685

Carr, Sebag Cap. Fd.	42.4	45.2	+0.1	2.00
Carr, Sebag Inc. Fd.	31.7	33.8	+0.2	8.20
Carr Sebag Far East'n.	23.3	24.8	+0.1	1.91

Charinco Charities N/R Fund‡‡
15, Moorgate, London, EC2. 01-638 4121

Income Feb 26		117.66	.....	12.58
Do. Accum. Feb 26		230.15	.....	12.58

Charities Official Invest. Fund‡‡
77 London Wall, EC2N 1DB. 01-588 1815

Income Jan 31		167.41	.....	7.23
Accum. Jan 31		411.25	.....	—

Chieftain Trust Managers Ltd (a) (g)
11, New St., EC2M 4TP. 01-283 2632.

American (z)	24.9	27.0xd	−0.1	1.73
Australian (z)	18.3	19.9	−0.1	1.25
Far Eastern Tst. (z)	37.4	40.6	+0.1	1.31
High Income	36.6	39.7	+0.2	10.98
Intl. Trust (z)	41.0	41.6	−0.1	1.65
Basic Resources Tst.	37.8	41.0	−0.1	2.58
Incm. Growth Tst.	25.0	27.1	+0.2	8.17
Pref. & Gilt Tst.	18.5	20.0	.....	15.61
Smaller Co's Trust	29.0	31.5	−0.1	3.42

NOTES

Prices are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

Crescent Unit Tst. Mgrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3

Cres. Amer. Fd.	38.5	41.5	−0.2	0.60
Cres. Internat'l.	81.6	88.1	+0.5	1.70
Cres. High. Dist.	47.2	50.9	+0.4	8.99
Cres. Reserves	52.4	56.6xd	+0.5	5.29
Cres. Tokyo	37.8	40.8	+0.4	0.31

Darlington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Tst.	22.2	24.1	.....	6.80

Discretionary Unit Fund Managers
36/38 New Broad St, EC2M 1NU. 01-638 4485

Disc. Inc. Feb 26	255.3	272.2	.....	4.91

Dunbar Unit Trust Managers Ltd.
53, Pall Mall, London, SW1 5JH. 01-930 2122

Income & Grwth	23.0	24.4	+0.2	7.58
Special Sits.	24.4	25.9	−0.1	3.06

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	20.9	23.5	.....	7.40
Gt. Winchester O'seas	31.4	34.8	.....	3.59

Equity & Law Un. Tr. M. (a) (b) (c)
Amersham Rd., High Wycombe. 0494 33377

UK Gwth. Tst. Acc.	57.2	61.5	+0.5	4.72
UK Gwth. Tst. Inc.	57.2	61.5	+0.5	4.72
Higher Inc. Tst. Acc.	59.6	64.0	+0.4	8.01
Higher Inc. Tst. Inc.	59.6	64.0	+0.4	8.01
Gilts/Fxd.Int.Tst.Acc.	53.8	56.6xd	+1.1	5.32
Gilts/Fxd.Int.Tst.Inc.	52.8	55.5xd	+0.1	5.32
Nth.America Tst.Acc.	50.1	53.8	.....	1.85
Far East Tst. Acc.	44.5	47.8	+1.2	1.07
General Tst.	94.9	102.0	+0.5	4.67

Fidelity International Management Ltd.
20, Abchurch Lane, London EC4N 7AL. 283 9911

American (z)	37.0	40.1	.....	0.72
Amer. Spec. Sits. (z)	25.8	28.1	−0.1	0.01
Gilt & Fixed Int.	24.0	24.8	+0.1	13.02
Growth & Income	33.1	36.1	+0.1	7.02
Japan Trust (z)	22.8	24.7	+0.6	—
Max. Inc. Eq. Tst.	30.8	33.4xd	+0.2	8.87
Special Sits.	37.6	41.4	+0.1	0.73

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l.	35.2	37.8	.....	2.04
Accum. Units	43.8	47.1	.....	2.04
J. Finlay High Income	39.2	42.1	+0.6	9.22
Finlay Wld. Energy	13.1	14.1	−0.1	2.80
Accum. Units	17.0	18.3	−0.1	2.80
J. Finlay Fd.In.Tst.	42.1	45.3	−0.2	5.65
Accum. Units	55.7	59.9	−0.2	5.65

Prices on March 3. Next dealing Mar. 10.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

Amer. & Gen.	87.4	93.4	.....	0.88
(Accum. Units)	87.4	93.4	.....	0.88
Am. T'around	78.6	84.0	.....	2.02
(Accum. Units)	78.6	84.0	.....	2.02
Capital Tst.	68.0	72.6	+0.4	4.58
(Accum. Units)	73.2	78.2	+0.4	4.58
Convertible & Gilt	49.0	51.4	.....	9.56
(Accum. Units)	52.0	54.6	+0.2	9.56
Extra Income Trust	55.6	59.4xd	+0.4	8.50
Income Tst.	46.6	49.8	+0.2	6.90
Int. Growth Fd.	68.4	73.0	+0.2	1.28
(Accum. Units)	74.2	79.2	+0.2	1.28

Robert Fraser Trust Mgt. Ltd.
28b Albemarle St., W.1. 01-493 3211

Robt. Fraser Ut. Tst.	75.4	80.7	.....	6.00

Friends Prov. Trust Managers (a)(b)(c)
Pixham End, Dorking. Tel. 885055

Friends Prov. Units	71.7	76.6	+0.5	4.07
Do. Accum.	106.8	114.2	+0.8	4.07

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Feb 18	149.3	153.0	.....	4.67
Gross Inc. Feb 18	81.2	85.5xd	.....	11.93
High Yield Feb 18	94.3	97.0xd	.....	11.15

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.
16, Finsbury Circus, EC2M 7DJ. 01-628 8131

G.T. Cap. Income	144.1	154.9	.....	3.90
Do. Acc.	191.4	205.7	.....	3.90
G.T. Inc. Fd. Un.	194.5	209.1xd	.....	9.20
G.T. U.S. & Gen	211.3	227.1	.....	1.40
GT Wld. Bd. Fd.	103.4	106.5	.....	8.80
G.T. Japan & Gen	117.1	125.9	.....	0.80
Gt. Pens. Ex. Fd.	346.3	364.5	.....	2.70
G.T. Int'l. Fund	230.7	248.0	.....	1.8
G.T. Far East & Gen	92.6	97.5	.....	1.60
G.T. Tech. & Gth. Fd.	86.5	93.7	.....	0.70

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood (0277) 227300

G. & A.	47.1	50.3	+0.4	5.35

Gartmore Fund Managers (a)(g)
2 St. Mary Axe, EC3A 8BP 01-623 6114
Dealing only: 01-623 5766/5806

American Trust	38.8	41.7	+0.1	0.71
Australian Trust	19.0	20.5	−0.2	1.91
British Tst. (Acc.)	105.7	113.7xd	+1.2	3.37
British Tst. (Dist.)	101.2	108.9xd	+1.2	3.37
Commodity Share	40.5	43.6	−0.2	5.15
Extra Income Tst.	24.3	26.2	+0.03	8.33
Far East Trust	53.4	57.5	−0.2	1.60
Gilt Trust	22.9	23.9	+0.1	13.08
High Income Tst.	58.7	63.7xd	+0.3	9.57
Income Fund	88.5	95.2xd	+0.4	7.17
Ins. Agencies	£17.82	19.19	+0.09	5.40
Inc. & Grth. Exempt	119.9	130.7	+1.2	5.97
Intl. Tst. (Acc.)	49.7	53.5	+0.3	1.71
Intl. Tst. (Dist.)	49.1	52.8	−0.1	1.71
Japan Trust	32.5	35.0	+0.7	0.70
Special Sits. Tst.	39.4	42.4xd	+0.2	3.44
UK Sp. Co. Rec. Trust	29.1	31.3	+0.3	3.45

Govett (John)
77 London Wall, EC2 01-588 5620

Stockholders Feb. 19	169.8	180.9	.....	2.45
Do. Accum. Unit	219.3	233.6	.....	2.45
St. European Feb. 19	59.9	62.9	.....	2.79

Next dealing March 5.

Grieveson Management Co. Ltd.
59 Gresham Street, EC2P 2DS 01-606 4433

Barrington March 3	335.0	355.1	−3.5	4.60
(Accum. Units)	413.4	438.2	−4.3	4.60
Br'gn H.Y. Feb. 25	173.7	184.8	.....	9.67
(Accum. Units)	263.3	280.2	.....	9.67
Barrgtn. Gilt Mar 2	97.0	100.1xd	.....	13.17
(Accum. Units)	107.6	111.0	.....	13.17
Barrgtn. S. Feb. 26	134.9	143.6	.....	4.22

Recovery	44.4	47.7xd	+0.2	4.42
Cap. Growth	93.3	100.3	+1.0	1.98
Acc. Units	101.2	108.8	+1.1	1.98
Inc. & Assets	39.4	42.4xd	+0.4	6.93
High Income Funds				
Inc. & Growth	48.0	51.6	+0.4	5.93
(Accum. Units)	77.8	83.7	+0.6	5.93
High Income	69.4	74.6	+1.2	8.28
Extra Inc.	59.4	63.9	+1.0	8.44
Smaller Cos. Div.	48.6	52.3xd	+0.4	8.60
Pref. & Gilt	38.8	41.7xd	−0.3	14.64
Gilt Trust	42.7	44.5xd	−0.1	12.58
Fixed Interest	45.5	46.9xd	−0.1	14.49
Sector Funds				
Financial	52.5	56.4	−0.4	2.80
Oil & Nat. Res.	53.7	57.8xd	−0.1	1.44
International				
Global Tech.	47.0	50.5	+0.4	0.02
International	50.5	54.3	+0.5	0.57
World Wide March 4.	154.7	164.6	.....	3.78
Overseas Funds				
Australian	60.1	64.6	−0.3	2.54
European	53.2	57.2	+0.3	2.78
Japan Trust	36.9	39.7xd	+1.0	0.38
Pacific Sm. Cos.	38.3	40.6	−0.3	0.54
North Amer.	56.3	60.5	−1.6	1.31
American Smaller	90.9	97.7	−0.4	0.38
Exempt Funds				
High Income (b)	136.3	142.0xd	+1.4	6.74
Smlr. Cos. (b)	140.4	146.3	+0.4	3.08
European Feb 19	114.5	119.3	.....	3.61
Japan Feb 19	136.8	142.5xd	.....	0.46
North Amer. Feb 19	181.9	189.5	.....	1.84
Global Technology	99.3	103.4	.....	0.24
Pacific Exempt Tst.	96.7	100.7	.....	0.70

Hexagon Services Ltd.
4 Gt. St. Helens, London EC3P 3EP 01-551 0094

Brewin Intl. Gr. Inc.	50.2	52.9	−0.1	4.21

Hill Samuel Unit Tst. Mgrs.† (a)
45 Beech St., EC2P 2LX 01-628 8011

(b) British Trust	202.2	216.3	+1.7	4.64
(b) Capital Trust	39.3	42.1xd	+0.3	4.19
(g) Dollar Trust	91.5	97.9	+0.2	2.63
(g) European Trust	25.0	26.8	+0.2	2.46
(g) Far East	40.0	42.8	+0.3	1.51
(b) Financial Trust	148.9	159.3	+0.9	3.27
(b) Gilt & Fxd. Int. Tst.	22.7	23.6xd	+0.1	12.46
(b) Gilt F.I. Growth	25.8	26.9xd	+0.1	3.96
(b) High Yield Tst	28.0	30.0	+0.1	9.51
(b) Income Trust	29.6	31.7	+0.1	8.17
(g) Int'l Trust	44.0	47.1	+0.3	2.24
(b) Security Trust	63.6	68.1	+0.6	4.84
(b) Spec. Sits. Tst	39.5	42.3xd	+0.3	2.55
Gen. Exempt Feb. 15	£171.0	181.0	.....	4.70

HK Unit Trust Managers Ltd. (a)
3 Frederick's Pl., Old Jewry, EC2R 8HD.
01-588 4111

HK American Tst.	29.0	31.5	−0.5	2.50
HK Extra Income Tst.	27.7	30.1xd	−0.1	11.00
HK Far East & Gn. Tst.	36.6	39.4	+0.1	2.90
HK Growth Tst.	43.5	47.2	+0.4	6.40
HK Income Tst.	39.5	43.0	.....	8.00
HK Market Leaders	51.8	55.7	+0.3	6.00
HK Private Tst.	58.0	63.1xd	+0.4	4.60
HK Smaller Co's Tst.	48.9	53.1xd	+0.3	4.40
HK Technology Tst.	66.6	72.4	+0.4	4.30

Investment Bank of Ireland (a)
Premier UT Admin, 5 Rayleigh Road, Hutton, Brentwood, Essex (0277) 211459

BofI Brit & O'seas	48.5	52.2	.....	3.51

Prices March 3. Next sub. day March 10.

Investment Intelligence Ltd. (a)
1/3 Worship St., EC2A 2AB. 01-628 6626

Intel. Amer. Tech. Fd.	70.1	74.7	−1.0	0.20
Intel. Inc. & Growth	28.1	30.2	.....	7.40
Intel Pacific Fund	93.0	99.0	.....	2.20
Intel Small Co's Fd.	110.5	118.2	.....	3.20

Key Fund Managers Ltd. (a)(g)
1, Paternoster Row, EC4 7DH 01-248 3999

Key Energy In.Fd.	114.4	121.7	+0.5	3.65
Key Equity & Gen.	91.3	97.1	+0.7	6.14
Key Exempt Fd.	252.5	268.6	.....	5.22
Key Income Fund	76.0	80.9	+0.3	9.64
Key Fixed Int. Fd.	48.4	51.5	.....	14.50
Key Small Co's Fd.	172.3	183.2	+0.8	4.44

Kleinwort Benson Unit Managers
20, Fenchurch St., EC3 01-623 8000

K.B. Unit Fd. Inc.	116.4	128.7xd	.....	5.37
K.B. Unit Fd. Ac.	172.0	191.5	.....	5.37
K.B. Fd. Inv. Tsts.	82.4	89.9xd	.....	4.56
K.B. Fd In.Ts.Acc.	93.9	102.5	.....	4.56
KB Smlr Co's Fd Inc.	63.2	69.6	.....	6.15
KB Sm.Cos.Fd.Acc.	73.0	80.4	.....	6.15
KB High Yld. Fd. Inc.	54.0	59.0	.....	9.10
KB High Yld. Acc.	68.4	74.7	.....	9.10

L & C Unit Trust Management Ltd.
The Stock Exchange, London EC2N 1HA 588 2800

L&C Inc. Fund	168.9	175.2xd	.....	8.35
L&C Intl & Gen Fd.	121.9	125.7xd	.....	1.76

Legal & General (Unit Tst. Mngrs.) Ltd.
5 Rayleigh Rd., Brentwood 0277 217238

Equity Dis.	94.3	101.9	+0.8	4.53
Equity Acc.	135.8	144.7	+1.1	4.53
Gilt	125.7	132.3	.....	7.26

Leonine Administration Ltd.
2, St. Mary Axe, EC3A 8BP. 01-623 6114.

Leo Distribution	125.0	132.7	−0.3	0.42
Leo Accum.	148.0	157.1	−0.3	0.42

INSURANCE PROPERTY BONDS

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1981-82 High	Low	Stock	Price £	+ or —	Yield Int.	Red.
99⅞	98	Treas. Variable '82‡‡	99⅞	......	13.80	13.85
98½	93 11/16	Treasury 8¼pc '82	98½	......	8.38	12.83
97⅝	93 15/16	Exch. 9¼pc 1982	97⅞xd	......	9.45	13.36
95½	92⅝	Exch. 8¾pc 1983	96½	......	9.07	13.19
94	84⅞	Exch. 3pc 1983	93¾	......	3.20	9.91
99⅜	95	Treasury 12pc 1983‡‡	98⅝xd	......	12.17	13.49
99⅝	96¾	Treas. Variable '83 ‡‡	99⅝	......	13.84	14.01
96⅞	90⅛	Treasury 9½pc '83	96⅜	......	9.60	12.18
101 13/16	95¼	Exch. 13½pc '83	100	......	13.50	13.43
95½	89¼	Exch. 10pc 1983	95½	......	10.47	12.86
90½	83½	Funding 5½pc '82-84‡‡	90	......	6.11	11.57
96¾	90	Exch. 11¼pc 1984	96½	......	11.66	13.32
103⅜	95¼	Exchequer 14pc 1984	100½	+¼	13.93	13.70
84½	77	Exch. 3pc 1984	84⅜	+⅛	3.56	10.86
98⅜	90½	Treasury 12pc 1984	96½xd	......	12.45	13.70
107⅞	95⅞	Treasury 15pc 1985	102¼	......	14.67	14.04
98⅞	88¼	Exch. 12pc Cnv. '85	95½xd	......	12.61	14.04
78⅛	71	Treasury 3pc 1985	78⅜	......	3.83	11.19
96⅝	85¼	Treasury 11½pc 1985	92⅞	......	12.38	14.23
98⅜	87⅞	Exch. 12¼pc 1985	94	......	13.03	14.35
97⅛	84¼	Exch. 11¾pc '86	92¼	......	14.74	14.37
74¼	65¾	Treasury 3pc 1986	73	......	4.11	11.21
97 13/16	84½	Treasury 12pc '86	92¼	......	13.01	14.46
86⅞	78½	Treasury 8½pc '84-86‡‡	84¼	......	10.09	13.38
97½	91⅞	Exch. 14pc 1986	97½	+⅛	14.36	14.73
103⅞	90	Exch. 13¼pc 1987	95¼	......	13.91	14.62
21¾	20	Do. A (£20pd)	21¼	......	13.95	14.70

Five to Fifteen Years

1981-82 High	Low	Stock	Price £	+ or —	Yield Int.	Red.
81¼	71⅛	Funding 6½pc '85-87‡‡	79⅞	+⅛	8.37	12.49
65⅜	64½	Treasury 3pc 1987	65⅜	+⅛	4.62	12.07
94⅛	81½	Treas. 12pc 1987	94⅛	+⅛	13.29	14.59
81⅛	72¼	Treasury 7¾pc '85-88‡‡	78⅞	+⅛	9.92	13.20
65½	58⅝	Transport 3pc '78-88	62½	......	4.84	11.66
92¾	79	Treasury 11½pc 1989	87	+⅛	13.27	14.60
67¼	59¾	Treasury 5pc '86-89	65¼	......	7.83	12.49
101½	85¼	Treasury 13pc 1990‡‡	94⅞	+⅛	13.95	14.47
95 7/16	81⅝	Exch. 12½pc 1990	89⅞xd	+⅛	13.81	14.55
80⅞	69⅞	Treasury 8¼pc '87-90‡‡	76⅞	+¼	10.99	13.30
93⅛	77¼	Treasury 11¾pc 1991	87¾	+⅛	13.66	14.59
66¾	57	Funding 5¾pc '87-91‡‡	62¾xd	+⅛	9.09	12.68
90	72⅝	Exch. 11pc 1991	86⅜	+¼	13.34	14.41
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

1981-82 High	Low	Stock	Price £	+ or —	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
98¾	79¾	Leeds 13½pc 2006	95	......	15.08	15.13
91¾	86	Liverpool 9¼pc '80-84	91¾	......	10.63	14.22
26	21½	D. 3½pc Irred.	24xd	......	14.63	—
100½	94½	Lon. Corp. 13¼pc '83	98½	......	13.45	14.23
88¾	82¾	Do. 9¼pc '84-85	87½	......	10.57	13.78
83¾	78	LCC 5½pc '82-84	83¾	......	6.57	13.74
71¼	63¾	Do. 5½pc '85-87	70¼	......	7.97	13.98
70¾	56	Do. 6¾pc '88-90	64	......	10.70	14.52
23¾	18¾	Do. 3pc '20 Aft.	22	......	13.87	—
97¼	89½	Sunderland 12¼pc 1984	95½	......	12.80	14.14

COMMONWEALTH AND AFRICAN LOANS

1981-82 High	Low	Stock	Price £	+ or —	Yield Int.	Red.
101⅜	92¼	Aust. 5½pc '81-82	101⅜	......	—	—
90	82½	Do. 6pc 1981-83	90	......	6.78	13.58
67¾	57	N.Z. 7¼pc 1988-92	63	......	11.73	14.48
81¾	74	Do. 7½pc '83-86	81¼	......	9.42	13.93
143	115	S. Rhod. 2½pc Non-Ass.	143	......	—	—
66	43	Do. 3½pc 80-85 Asstd.	66	......	5.44	17.60
43	26	Do. 4½pc 87-92 Asstd.	39xd	......	11.54	17.80
395	320	Zimbabwe Ann (£100pa)	368	......	—	23.82

LOANS

Public Board and Ind.

1981-82 High	Low	Stock	Price £	+ or —	Yield Int.	Red.
64¾	57¼	Agric. Mt. 5pc '59-89	64¾	......	7.80	12.68
29½	23¾	Met. Wtr. 3pc 'B'	26¾xd	......	11.22	13.54
114	97	U.S.M.C. 9pc 1982	108	......	8.50	—
99	91	Do. without Warrnts.	99	......	9.32	—

LOANS—Continued

Financial

1981-82 High	Low	Stock	Price £	+ or —	Yield Int.	Red.
101½	94¼	FFI 14pc '83	99½	+¼	14.07	14.29
97	88½	FFI(UK Fn)5½pcDb. '80-2	95½xd	......	5.76	14.00
84	77	Do. 6¼pcDb. '81-84	83½	......	7.66	14.76
93	82½	Do. 10½pc Uns.Ln. '86	89	......	12.04	14.90
92	78	Do. 11pc Uns.Ln. '88	87	+½	12.92	14.20
92	78	Do. 11¼pc Uns.Ln. '90	87½	+½	13.75	14.92
94½	78½	Do. 12½pc Un. Ln. 1992	87xd	......	14.37	15.05
64½	54	Do. 7¼pcADeb. '89-92	61	......	12.21	14.93
62	51½	Do. 7¼pcADeb. '91-94	56½xd	......	12.83	15.00
72½	59½	Do. 9pc 'A' '91-94	66xd	......	13.59	15.07
70	56½	Do. 8⅞pcLn. '92-97	63½xd	−½	14.09	15.20

Building Societies

1981-82 High	Low	Stock	Price £	+ or —	Yield Int.	Red.
100¼	98⅛	Nat'wide 14¼pc 11.8.82	100	......	14.75	—
100½	98	Do. 14¾pc 25.8.82	100	......	14.75	—
100½	98¼	Do. 15⅜pc 29.9.82	100⅜	......	15.32	—
101¼	99¾	Do. 16¼pc 27.10.82	100⅞	+⅜	16.11	—
100½	99	Do. 15⅜pc 24.11.82	100	−¼	15.38	—
100¼	99¼	Do. 15¼pc 13.12.82	100¼	+⅛	15.21	—

FOREIGN BONDS & RAILS

1981/82 High	Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
95	58	Antofagasta Rly.	65	......	—	—
57	53½	*Do. 5pc Pref.*	55	......	—	—
98	98	Chilean Mixed	98	......	3	f3.1
28	14	Chinese 4½pc 1898	16	......	—	—
22	11	Do. 5pc 1912	11½	......	—	—
18	8	Do. 5pc 1913	11	......	—	16.84
16	9	Do. 5pc '25 Boxer	10	......	—	—
45	36	Greek 7pc Ass.	42	......	3½	f8.41
42	33	Do. 6pc 28 Stb. Ass.	40	......	3	f7.50
35	30	Do 4pc Mixed Ass.	35	......	2	f5.77
52	35	Hung. '24 Ass.	35	......	2¾	f8.38
98¼	87	Hydro Quebec 15pc Ln 2011	98¼	......	15	15.88
67	58	Iceland 6½pc '83-88	60	......	6½	17.00
102	80	Do. 14½pc Ln. 2016	88xd	......	14½	16.71
92	83½	Ireland 7½pc '81-83	92	......	7½	15.10
79¾	61⅞	Do. 9¾pc '91-96	66¾xd	......	9¾	15.59
240	180	Japan 4pc '10 Ass	240	......	—	—
79	66	Do. 6pc '83-88	67xd	......	6	13.41
165	155	Peru Ass. 2007	161	......	5.22	f3.29
96¼	79½	Pet. Mx 14½pc '06	83½xd	+¼	14½	17.45
S79	S75	Turin 9pc 1991	S75	......	9	f12.00
DM90	DM87	Turin 6½pc 1984	DM87	......	6½	11.60

AMERICANS

1981/82 High	Low	Stock	Price £	+ or —	Div. Gross	C'vr	Y'ld Gr's
16½	912p	Abbott Labs.‖	16	+⅛	72c	—	2.4
17¼	11¾	Alcoa 1S	13½	+⅜	$1.80	—	7.0
37⅜	15	Amax $1	15	−⅝	$2.40	—	8.4
21¼	13⅛	Amdahl	15	......	40c	—	1.4
27⅝	16⅝	Amer. Express $0.60	25½	−⅛	$2.20	—	4.5
17⅜	10⅜	Amer. Medical Intl. $1	12½	−⅛	52c	—	2.2
20½	16⅛	Amer. Nat. Res. $1	18⅞	+⅛	$2.84	—	7.9
33½	28	American T. & T. Co.	30¼	+⅝	$5.40	—	9.3
14⅝	949p	Bank America Corpn.	10⅝	+¼	$1.52	—	7.5
19¼	12⅛	Bankers N.Y. $10	19⅝	−⅛	$2.05	—	5.6
36⅝	22¼	Bendix Corp. $5	30¼	+⅝	$3.32	—	5.8
14⅜	951p	Beth Steel $8	11¼	−⅛	$1.60	—	7.5
18⅞	975p	Brown'g Fer. c16⅔	17⅞	+¼	$1.00	—	2.9
14⅝	564p	Brunswick Corpn.‖	11⅝	−⅞	$1.00	—	4.5
24¾	14¾	Burroughs Corp. $5	20⅜	......	$2.60	—	6.7
20¾	12¼	C.P.C. $½	20¾	......	$1.92	—	4.9
36	23	*Caterpillar‖*	26¼	......	$2.70	—	5.4
32⅞	18	Chase M'htn.$12.5	32⅞	......	$3.40	—	5.4
20	11¾	Chesebrough $1	17½xd	+¼	$1.72	—	5.2
382p	165p	Chrysler $6¼	275p	−6	—	—	—
15	883p	Citicorp $4	14¾	+⅛	$1.56	—	5.6
15¾	865p	City Inv. $1.25	12⅝	+⅛	$1.60	—	6.7
24	13⅝	Do. Cm. Prf. B $1	19¾	+⅜	$2.00	—	5.3
991p	587p	Colgate-P. $1	989pxd	+1	$1.20	—	6.4
24¾	936p	Colt Inds. $1	13⅞xd	+⅛	$1.80	—	6.8
20¾	11⅝	Cons. Foods $1⅓	18½	+⅛	$2.12	—	6.0
21¾	12⅝	Cont. Illinois $10	15⅞	−¼	$2.00	—	6.6
24	13	Crown Zell. $5	14⅞xd	......	$2.30	—	8.1
935p	400p	Damson Oil US$0.4	440p	......	—	—	—
21⅛	11⅛	Eaton Crp. $0.50	15¾	+⅛	$1.72	—	5.8
30⅞	15⅞	Esmark $1	27¾	−⅛	$1.84	—	3.5
20	14½	Exxon ‖	15⅝xd	−⅛	$3.00	—	10.1
891p	368p	Fin. Corp. America	666p	−41	h68c	—	5.4
10⅞	615p	First Chicago $5	10⅝xd	+⅜	$1.20	—	5.9
25¼	11¾	Fluor Corp. $⅝	11¾	−¼	80c	—	3.6
12½	13½p	Ford Motor $2	11½p	......	—	—	—
21½	15½	GATX $⅝	15¾	......	$2.40	—	8.0
34⅝	24⅝	Gen. Elect. $2½	34½	−⅛	$3.20	—	5.5
42⅛	11½	Gillette $1	18⅝	+¾	$2.10	—	2.6
24¼	15¾	Gulf Oil‖	16½	−⅛	$2.80	—	8.9
50½	33¼	Honeywell $1.50	42⅛xd	−⅛	$3.40	—	4.2
25	875p	Hutton (E. F.) $1	17⅛xd	......	80c	—	2.4
34¼	26¼	I.B.M. Corp. $1.25	33½	−⅝	$3.44	—	5.4
38	26¾	Ingersoll-R $2	27⅝	+¼	$3.56	—	6.8
960p	654p	I. U. International‖	673p	......	$1.10	—	8.6
16¾	13½	Int. Tel. & Tel. $1	14⅝	+⅛	$2.68	—	9.6
12⅝	756p	Kaiser Al. $⅓	811	+8	$1.40	—	9.2
737p	115p	Lionel Corp. $0.10	124p	......	20c	—	8.5
18	12⅛	Lone Star Inds.	12⅝	+⅛	$1.90	—	7.9
23	13¾	Louisiana Land $0.15	13⅞xd	−¼	$1.80	—	6.8
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

BANKS & H.P.—Cont.

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

INSURANCE

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

Australian

Tins

Copper

Miscellaneous

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- || No par value.
- §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ★★ Available only to UK pension schemes and insurance companies engaged in pension business. [illegible]

REGIONAL MARKETS

OPTIONS

3-month Call Rates

"Recent Issues" and "Rights" Page 32

FINANCIAL TIMES
Thursday March 4 1982

Hyster may put automation plant in Antrim

BY RAYMOND SNODDY

HYSTER, the U.S. forklift truck manufacturer, is considering a multi-million pound move into unmanned computer-controlled storage and materials handling systems with a new plant which looks likely to be built in Northern Ireland.

Northern Ireland government officials are confident the project will come to Antrim, where earlier this week British Enkalon announced the closure of its fibres plant with the loss of 850 jobs. No final decision has been taken, however, and the company is believed to be looking at two other sites as well as Northern Ireland should the move into the new market area go ahead.

The project would be Hyster's second in the province. The company started production of its new basic forklift truck at Craigavon last summer in a £25m factory.

A decision is believed to be imminent. The move would be a major departure for Hyster. The company already produces some computer, wire, and radio-controlled storage systems, particularly for the U.S. market.

The new project is believed to be on a much larger scale and would be designed to compete in the growing world market for automated warehouse and factory systems.

Two of Hyster's main competitors in the U.S., Eaton and Clark *Material Handling*, already make automated storage and retrieval systems. In the UK both Lansing and GEC are developing such systems.

The Craigavon *plant* itself represented a departure for Hyster. Previously the company concentrated on the top end of the forklift truck market.

Mr William Kilkenny, chairman of Hyster, and other senior executives had talks in Belfast recently with officials of the Northern Ireland Department of Commerce.

The department is expected to be able to offer Hyster a package of grants within a month to enable it to make a final decision.

Because of the rundown of *British Enkalon in* Antrim the rate of industrial investment grants for the area has been raised from 45 per cent to 50 per cent to try to attract new jobs to the town. The unemployment rate in the Antrim area will be about 25 per cent when the British Enkalon workers are paid off at the end of this month. In the province as a whole it is 19.5 per cent.

Last week Mr James Prior, Northern Ireland Secretary, hinted at a conference on the Northern Ireland economy that a major U.S. investment in the province was on the cards, but did not name Hyster.

The project would be particularly welcome because Northern Ireland has been unable to attract a major overseas employer for more than a year. It would involve advanced technology research and development as well as manufacturing.

Government to probe opticians' charges

By Gareth Griffiths

THE GOVERNMENT is to set up an inquiry into relations between the National Health Service and opticians. The move follows growing complaints about the cost of glasses in Britain and could lead to a radical re-think of the present set-up. It is by no means certain, however, that the outcome will be lower prices for spectacles.

The inquiry was disclosed yesterday by Sir Kenneth Stowe, Permanent Secretary at the Department of Health and Social Security, who told the Commons Public Accounts Committee the present systems was under "great stress and strain."

There were three factors in particular. First, opticians had been making "*unintended profits*" on the lenses and frames they provided for NHS spectacles. Opticians are expected only to cover costs but a surge of cheap imports from the U.S. and the Far East, together with over-capacity among UK manufacturers, has enabled opticians to secure discounts on the prices they pay.

The price paid by the DHSS, however, has not taken account of these. Sir Kenneth said opticians were estimated to have made between £5m and £6m in "unintended profits." Lawyers have told the department there is no legal basis for the recovery of unintended profits. That could be achieved only by agreement.

Secondly, the DHSS reimbursed opticians for Value Added Tax on spectacles for NHS patients. However, some opticians were over-paid because the larger companies, with their own prescription houses, purchased supplies at an earlier stage in the manufacturing-retail chain and thus missed a set of VAT payments. The DHSS now hopes to recover ... from optical companies during the summer ... for over-payments in 1979-80 and 1980-81.

Thirdly, the DHSS owes the opticians almost an entire year's ... — £93m for 1981-82. A Government review of opticians' fees started in 1978 and finished only last year found that the dispensing and sight testing fees paid to opticians did not cover their costs. A back-payment of £70m to £90m is due to be paid to opticians to cover this, but so far only £19.5m has been paid.

Ministers have still to decide what precise form the inquiry should take, but Sir Kenneth said it was "almost certain it would be an external review."

This could involve radical rethinking about the present structure and services of the general ophthalmic services. An announcement is likely within the next couple of weeks and work should start this summer.

Reagan defers decision on plans to tighten Soviet pipeline squeeze

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan has deferred a decision on whether to try to stop the planned Siberia-Western Europe natural gas pipeline by tightening the squeeze on the supply of U.S. made or licensed equipment for its construction.

The White House said yesterday he would not decide until after a tour of Western Europe by Mr James Buckley, Under Secretary of State for Security Assistance, Science and Technology. This tour is expected to take place in the next two weeks.

The U.S. State Department, which has argued for a compromise with the Europeans on the issue, regarded the deferment stance as a clear victory over Mr Caspar Weinberger's Defence Department, which has urged tough action to halt the pipeline.

Mr Weinberger wants the U.S. to try to prevent the use of equipment made by subsidiaries of U.S. companies in Europe, or by European companies under U.S. licences—in addition to the ban already imposed on equipment made by companies in the U.S.

Officials said postponement of the decision meant Mr Buckley would not be going to Europe to stage a showdown *over the pipeline*. The White House made it clear, however, that Mr Reagan could still decide on tough action after he had heard Mr Buckley's report.

Until yesterday Mr Buckley had been postponing his trip until Mr Reagan made up his mind. The President's decision to defer a decision until after the trip reverses the previous schedule of events.

Mr Alexander Haig, the Secretary of State, has opposed the pipeline, but argued that the issue should not be pressed so far as to endanger Western unity at a time of confrontation with the Soviet Union over Poland.

Following Mr Reagan's change of tack, officials said the pipeline would figure as only about *the fourth item on Mr* Buckley's agenda. The main emphasis would be on Western credits for the Eastern bloc and the level of interest rates granted to Moscow on pipeline loans.

Soviet Union supported W. Germany, Page 2

Investors face call to strike at Roadline

By Brian Groom, Labour Staff

NEW worker-shareholders of the denationalised National Freight Company may be asked to strike against Roadline, an NFC parcels business.

The threat is being made by the Transport and General Workers' Union, the biggest at NFC, which opposed the "buy-out" by a consortium of managers, staff and pensioners.

The TGWU is recommending rejection of a "final" pay offer of 5 per cent on basic rates to Roadline's 3,000 drivers and other operating staff. It is being considered in regional union delegate meetings.

Mr John Moore, TGWU regional officer and negotiator, said industrial action was likely with a strike one option.

Action would involve a number of TGWU members who *have bought shares* in the National Freight Consortium, which took over NFC from the Government a week ago. Shares have been bought by 8,937 managers and employees of NFC, and members of their families. NFC has 26,000 employees.

Mr Moore said the 5 per cent offer was unacceptable, compared with other *NFC offers* and pay at competitors. Roadline wages were almost £20 below those of other parcels companies.

Roadline said bonus payments and other benefits meant the company offered a package comparable to its competitors.

A variant of the 5 per cent offer on the table would give 6 per cent to drivers and 3.7 per cent to other grades.

Negotiations are continuing on the use of the tachograph, the meter which records drivers' performance, which became a legal requirement in cabs on January 1.

This issue is proving a barrier to a settlement at another NFC group, British Road Services, where the TGWU is recommending a 7.4 per cent pay offer.

Energy industry unions threaten disruption over Tebbit Bill

BY JOHN LLOYD, LABOUR EDITOR

TRADE UNIONS in Britain's energy industries are warning their employers that attempts to use or observe the terms of the forthcoming employment legislation will cause industrial disruption.

A letter has been sent to the Electricity Council from the four unions representing the electricity-supply industry's 90,000 workers.

It says attempts to undermine union membership agreements or closed shops, or to weaken the authority of unions in the industry, would be "vigorously resisted."

The agreement to inform the industries of the union's hostility to the legislation was *taken at a meeting of the TUC's* fuel and power committee on January 27.

A letter on similar lines will be sent to British Gas next week. It is understood others will go to the National Coal Board and the oil companies.

Mr John Edmonds, national energy officer for the General and Municipal Workers Union, said yesterday the warnings covered attempts by employers to observe the clause in the Employment Bill which calls on employers to hold a secret ballot on closed-shops every five years.

The clause says that where such a ballot has not been taken, or where the ballot shows less than 85 per cent of those voting support the continuation of the closed-shop, dismissal of a worker who refuses to join the closed-shop should be deemed to be unfair. The worker could attract compensation of much more than £20,000.

Mr Norman Tebbit, Employment Secretary, said last week he might delay introducing this clause for up to two-and-a-half years. But he warned employers they could not escape the financial consequences of avoiding a ballot in due course.

The unions have identified *this part of the legislation* as its most dangerous and weakest point. Several employers, as Mr Tebbit has conceded, have shown concern over the provision, saying it will give rise to disruption in otherwise stable conditions.

The energy utilities are traditionally 100 per cent closed shops and the mining industry has union membership agreements which are among the oldest in Britain.

Varley opposes Bill, Page 7

Opec calls meeting

Continued from Page 1

backing from other producers and users of North Sea crude, cut the reference price of UK production to $31 a barrel—$3 below the "marker" price for Saudi Arabia's Arab light oil and as much as $6 below rates being charged by some African producers.

The UK state-owned oil corporation decided to apply such a big reduction from March 1 *to maintain demand for* oil output of about 1.9m barrels a day.

Statoil, the Norwegian state oil corporation, said yesterday that the price of Norway's output—more than 500,000 b/d—would also be reduced, probably by $4 a barrel.

Such a large volume of low-price oil—more than 5 per cent of non-Communist world demand—is causing a number of Opec members to worry about their already-depressed sales, particularly with a surplus of supplies of some 2m to *3m b/d*.

In agreeing to BNOC's price proposals, major oil companies with interests in the North Sea—including Shell and British Petroleum—yesterday obtained assurances that rates could be renegotiated if there were dramatic changes in the oil market in the next four months.

The spot price of Arab Light oil was last night said to be about $29 a barrel for April liftings and $29.25-$29.50 for more immediate deliveries. Spot cargoes of North Sea oil were valued at just below $30 a barrel.

Further pressure for a radical Opec initiative was applied yesterday by Egypt, which cut the price of its Suez Blend light crude by $1 a barrel to $32. A similar cut was made just a month ago.

The price of Egypt's lower-grade Ras Gharib and Belayim crudes is to be cut by the same margin, to $28 and $26 respectively.

If Opec was to adjust to the new BNOC level and market realities, its basic reference price of $34 would have to be cut to $28.50-$29, according to industry experts.

Saudi Arabia is thought to have agreed to a meeting before the next ordinary conference of Opec, scheduled to begin on May 25 in Quito, Ecuador, although this was not *confirmed from Riyadh*.

The Saudis previously resisted calls for a meeting unless pricing, as well as production, was up for discussion. Militant Opec members have been urging a cut in Saudi output.

Although it has dropped below the maximum ceiling of 8.5m b/d reimposed from the beginning of this year, the Kingdom's production has fallen proportionately far less than that of other oil exporters.

Chances of an Opec deal have also been clouded by a recent bitter exchange between Saudi *Arabia and Colonel Muammar* Gadaffi, the Libyan leader, who called on the people of Saudi Arabia and other Gulf states to revolt against their conservative rulers. His outburst was denounced in Saudi Arabia.

Dr Otaiba's reference to a consultative conference, rather than an extraordinary one, is seen as significant. In effect, it means no firm compromise has been reached so far.

Following an embarrassing failure to restore a unified Opec price structure last August, care was taken to bill the subsequent *meeting in October* as a consultative conference. When agreement was assured, the meeting was upgraded to the status of an extraordinary conference.

Weather

UK TODAY

COLD and showery.

England, Wales, Channel Isles
Sunny intervals and showers. Max. 8C (46F).

W. Scotland, N. Ireland
Showers, dying out later. Bright periods. Max. 6C

Rest of Scotland
Showers, possibly hail and thunder. Sunny periods in parts. Max. 6C (43F).

Outlook: Bright and dry at first, *becoming cloudy with rain.*

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	15	59	Luxmbg.	C	7	45
Algiers	S	21	70	Luxor	S	22	72
Amsdm.	R	8	46	Madrid	S	14	57
Athens	C	11	52	Majorca	S	17	63
Bahrain	—	—	—	Malaga	S	14	57
Barclna.	S	16	61	Malta	S	15	59
Beirut	F	20	68	M'chestr	C	7	45
Belfast	C	6	43	Melbne.	—	—	—
Belgrd.	F	7	45	Mx. C.†	—	—	—
Biarritz	S	20	68	Miami†	—	—	—
Bmghm.	F	7	45	Milan	S	14	57
Blackpl.	F	10	50	Montrl.†	—	—	—
Bordx.	S	19	66	Moscow	F	3	37
Boulgn.	—	—	—	Munich	C	7	45
Bristol	C	9	48	Nairobi	F	29	84
Brussels	R	11	52	Naples	S	14	57
Budpst.	S	10	50	Nassau	—	—	—
Cairo	S	19	66	Nwcastl.	S	9	48
Cardiff	C	7	45	N York†	—	—	—
Cas'b'ca	S	26	79	Nice	S	15	59
Cape To.	S	19	66	Nicosia	S	17	63
Chicg.†	C	-7	19	Oporto	F	10	50
Cologne	C	11	52	Oslo	C	1	34
Cpnhgn.	C	4	39	Paris	R	16	61
Corfu	S	13	55	Perth	S	31	88
Denver†	C	0	32	Prague	F	5	41
Dublin	R	9	48	Rykjvk.	S	-3	27
Dbrvnk.	S	14	57	Rhodes	S	16	61
Ednbgh.	F	9	48	Rio J'o†	—	—	—
Faro	S	20	68	Rome	S	16	61
Florence	S	14	57	Salzbrg.	F	8	46
Frankft.	C	9	48	S'cisco†	F	10	50
Funchal	C	18	64	Singapr.	—	—	—
Geneva	C	8	46	Stckhm.	C	3	37
Gibrtr.	S	18	64	Strasbg.	C	10	50
Gl'sg'w	C	6	43	Sydney	—	—	—
G'nsey	R	9	48	Tangier	S	22	72
Helsinki	C	0	32	Tel Aviv	S	15	59
H. Kong	C	15	59	Tenerife	S	24	75
Innsbrk.	F	5	41	Tokyo	S	6	43
Invrnss.	C	6	43	Toronto†	—	—	—
I.o.Man	S	9	48	Tunis	S	16	61
Istanbul	S	9	48	Valencia	S	20	68
Jersey	R	9	48	Venice	S	14	57
Jo'burg	F	27	81	Vienna	S	10	50
L. Pims.	S	19	66	Warsaw	F	7	45
Lisbon	S	17	63	Zurich	C	6	43
Locarno	S	11	52				
London	C	9	48				
L. Ang.†	F	10	50				

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

Bank brake

Continued from Page 1

England supplied a total of £244m to meet a shortage of funds on the money market estimated at £300m. Most of this assistance was provided by the sale and repurchase of three week Bills at a dealing rate of 13¼ per cent.

The clear implication was that the Bank wanted to restrain the markets from over-excitement *over the prospect* of a tight Budget leading to a cut in interest rates.

The Bank, it appears, considers money market reaction in the form of a lowering of rates leading perhaps to a cut in base rates could be more fittingly decided after the Chancellor has made his statement on Tuesday.

This appeared to be a signal that the authorities wanted to moderate the fall of Bill rates, which went down about ½ point yesterday to 12⅞ per cent for three-month Bills and *13¼* per cent for one-month Bills.

The three-month interbank rate was down ¼ point to 13¼ per cent.

Coal Board

Continued from Page 1

tries and to quantify its recommendations. Parliament will expect a response from the industry concerned, normally within four months.

A separate investigation into *the London Electricity Board* being carried out by the Office of Fair Trading is expected to be concluded within the next few weeks.

MP sent from chamber

A LABOUR MP was ordered out of the Commons yesterday after protesting that parliament was interfering with the abortion laws in Canada.

Mr Dale Campbell-Savours (Workington) repeatedly complained that MPs discussing the Canada Bill, which gives Canada control of its constitution, were to be denied the right to vote on the abortion issue.

After ignoring several times the ruling of Committee Stage chairman Mr Bernard Weatherill Mr Campbell-Savours persistently raised the issue as a point of order and was eventually ordered out.

Mr Campbell-Savours said: "By passing this Bill as it stands we are legislating for abortion in Canada. I am trying to prevent this House from doing that."

Although the Bill makes no specific reference to abortion, Mr Campbell-Savours claimed that courts could interpret parts of it in such a way as to lead to abortion on demand in Canada.

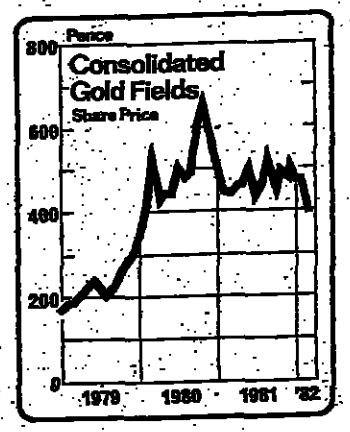
An amendment in the MP's *name which was not selected by* the chairman for debate sought to ensure nothing in the Bill affected Canada's right to decide its own abortion laws.

THE LEX COLUMN

A lean year at Gold Fields

Sterling shrugged off the lower oil price yesterday, and the Bank of England felt it necessary to dampen the enthusiasm of the money markets for lower interest rates. It refused to lower its own dealing rates on bills, and the discount houses ended up taking fixed rate money for three weeks through a sale and repurchase. Apart from their general desire to keep the markets orderly, the authorities would probably like the next base rate cut to appear as a spontaneous reaction to the *Budget*.

Index fell 2.6 to 555.2



Gold Fields

Consolidated Gold Fields has now exhausted the £181m it raised from shareholders at the end of 1980 and so far has little to show for it beyond windfall profits. Exchange gains on the conversion of the cash into dollars accounted for the bulk of the £14.1m investment profits during the half year to December and the surplus on Newmont Mining's sale of its holding in Conoco added another £3.1m.

But these items were substantial enough to leave interim pre-tax profits only 4.5 per cent lower at £67.5m during a period when the average gold price was down by more than a third.

Unfortunately, the exchange gains were highly taxed and, after the rights issue dilution, earnings per share have fallen 29 per cent. Coupled with the sizeable cash outflow, this explains Gold Fields' decision *only to hold* its interim dividend, after nine years of consecutive increases.

But at least the second half should produce enough new swings and roundabouts to put Gold Fields in line for full year pre-tax profits roughly double the interim figure—and rather more after tax. The changed year end of Driefontein *deprived the group of dividends* totalling perhaps £5m at the interim stage, all of which should be recouped later if the gold price permits.

Financial profits will be much lower, but Gold Fields will have the benefit of a higher 22 per cent holding in Newmont and the tin strike losses in Australia which cost £5.7m in *the first half, should be absent.* Gold Fields is unhappy at being seen still as a gold stock after all the recent diversification. But the performance of the non-metal interests is still patchy and gold, even in a depressed market, must account for close to half of net earnings. At last night's price of 398p, the historic yield is 9 per cent.

General Accident

Bad weather in the UK gave *General Accident an unpleasant* final quarter in 1981, with total underwriting losses rising to nearly £20m, but pre-tax profits for the full year are still well ahead at £104.9m against £92.3m—nearly £8m of the increase reflecting currency movements. This is an eminently satisfactory performance at a difficult stage of the insurance cycle, and no one is complaining about a 20 per cent rise in the dividend, which is still covered 2.7 times. But a very cautious statement brought the shares back to a *day's low of 322p, down 4p.*

Investment income is up by nearly a third at £157m, but the underwriting experience is very tough. Like the Royal, GA is expecting an improvement in Canada this year as higher premium rates seem to be sticking, but Australia, where the operating ratio worsened by 10 points to 130 per cent, is going from *bad to worse. In the U.S. the* group is holding its own, with its mix of business producing an operating ratio some three points better than the industry's. But the pressure on the UK business is growing with no rate increases on the motor account and large reductions on some commercial lines, where rising capacity as overseas insurers *push into the UK* is coinciding with a shrinking market.

A sustained fall in interest rates on both sides of the Atlantic could moderate the premium-cutting in the industry later this year, but GA will do well to make £100m again in 1982—especially as the first quarter will have been very badly hit by the weather in the UK. The solvency margin slipped just two points to 56 per cent in 1981, and GA's business remains formidably strong. The shares yield 7.4 per cent against 8.1 per cent for the composite sector.

Tax havens

The six Inland Revenue officials who attended yesterday's Institute of Fiscal Studies' seminar must have left with their ears burning. Abuse of their handiwork in framing legislation on tax havens was universal, not to say vitriolic. The City has now had nearly three months to mull over the proposed clauses and, with the Budget less than a week away, concern about the commercial implications is growing rapidly.

The essential aim of the legislation is to discourage tax haven "money box" companies, with rules to make them taxable in the UK. Perhaps the most vulnerable part of the financial community will be captive insurance companies. Where more than half of trading receipts come from a connected company, they risk failing the genuine trading test. One way round this might be to increase the number of clients served by each captive — but that might *undermine the reason for having* one in the first place.

Leasing abroad, which boomed last year, could be hit. After all, bankers can hardly argue that avoidance of UK tax is not one of the main purposes for such transactions. The Revenue, which has been angered by recent "double dip" leasing deals in the U.S. which have *incorporated UK tax allowances,* may not be slow to use this legislation to stamp out the practice.

There may also be problems for pension funds *which invest* abroad through an intermediary, while less specifically there are fears that the activity of a wide range of multinationals may be affected, giving a strong incentive for companies to shift residence abroad. The Revenue answer to all this is that the motive test will be a safety net for honest *companies*—with recourse to the courts if necessary. But this hardly provides a predictable tax framework and the Revenue's recent aggression over avoidance schemes has left no one anxious to rely on its good will.